

**CASE**

**NUMBER:**

012-66  
99-210

GSC Staff 2



**GLENWOOD HALL  
GOLF & COUNTRY CLUB**

P.O. BOX 147

Perry Park, KY 40363

(502) 484-2159

PERRY PARK RESORT, INC. & PERRY PARK  
RESIDENT OWNER'S ASSOC

P.O. BOX 147  
PERRY PARK, KY 40363

DATE

12/18/97

BILL TO

BURDETTE, DAVID & LINDA  
45 SPRINGPORT RD  
P.O. BOX 116  
PERRY PARK, KY 40363

TERMS

Net 30

DESCRIPTION

RATE

AMOUNT

PERRY PARK RESORT, INC. & PERRY PARK RESIDENT OWNER ASSOCIATION  
INVOICE FOR:

388.00

388.00

PROPERTY OWNER'S PRO-RATA CONTRIBUTION TO ESCROW ACCOUNT  
FOR CARROLL COUNTY WATER DISTRICT PARTICIPATION.

Please remit to above address.

**Total**

**\$388.00**

**GLENWOOD HALL  
GOLF & COUNTRY CLUB**



P.O. BOX 147

Perry Park, KY 40363

(502) 484-2159

PERRY PARK RESORT, INC. & PERRY PARK  
RESIDENT OWNER'S ASSOC

P.O. BOX 147  
PERRY PARK, KY 40363

DATE

1/27/98

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45 SPRINGPORT RD  
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PERRY PARK RESORT, INC. FAX: (502) 484-2467



**PERRY PARK RESORT OWNERS ASSOCIATION**

P.O. Box 112

PERRY PARK, KY 40363

September 03, 1998

Mr. Jim Berling  
PAR TEE LLC  
c/o Berling Engineering  
1671 Park Road, Suite 1  
Ft. Wright, KY 41011

Dear Jim,

A meeting was held on Saturday, August 29, 1998 between yourself and Mark Seibert of PAR-TEE LLC and Bill Blick, Nancy Ratermann and myself of Perry Park Resort Owners Association Inc. (PPROA). Discussion included the administration of the joint escrow account related to the Carroll County Water District (CCWD) construction project. You indicated at the meeting that Curt Moberg, General Manager of Perry Park Resort Inc. (PPRI), had not made you fully aware of the agreements on how the account was to be administered and you requested that I outline those details in a letter to you.

On June 28, 1997, agreement was reached with Mike Dunn, President of PPRI, that a trust fund would be established. Initially used to deposit funds collected from current water users for the payment of the \$100,000 charge for the CCWD project, it would later be used to deposit "special constructions fees" collected when future building permits involving water tie ins are issued. Monies collected are to be distributed annually, perhaps in the form of a credit, to the original contributors who financed the \$100,000 charge. The trust fund was to be established as a jointly held escrow account requiring at least one authorized signature from both PPRI and PPROA. Two signatures from each entity are on file at Star Bank where the account was established. PPRI was to pay into the trust their proportionate share based on the number of water meters they require (then estimated at 14). This general agreement was announced to the property owners at a Special General Meeting also held on June 28, 1997. This agreement did not specify the amount of the construction charge or the length of time it was to be collected as it was agreed those details could be left to a later time. A subsequent analysis by PPRI determined that the base of water users including all anticipated PPRI connections was 258 and that each share of the \$100,000 charge was to be \$388.00. The escrow account was established in January 1998 and billing of the \$388 began. By early April, nearly \$60,000 had been collected. Project delays pushed out the date for the \$100,000 payment and the necessity to force the issue of delinquent payments.

During our discussion on this subject on August 29, 1998, you indicated your agreement to continue administering the trust fund. Further, we reached agreement that \$300 would be an appropriate amount for the Special Construction Fee. This fee which would be in place for ten years, would be payable when requesting any building permit which included tying into the water system.

Several related issues which have not been fully discussed still require agreement.

1. The date for the annual distribution should be fixed. Since it will likely be in the form of a credit on maintenance fees it could occur when annual fees are billed.
2. The annual distribution credit should be prorated among all who contributed to the \$100,000 charge according to their contribution. Since PAR-TEE LLC made up the \$31,000 shortfall it would be appropriate for them to be credited with that proportion of the contribution less payments collected from



water users who have not yet paid. As a matter of fairness, every effort should be made to insure all water users pay the \$388 fee.

3. The annual distribution credit should accrue to successor owners of property for the duration of the ten years in the event the property changes hands.

Today, I met with Mark Seibert and jointly converted \$69,000 in the account to a cashiers check payable to the Carroll County Water District No. 1 as contribution to the water project. A balance of approximately \$1100 remains in the account at this time. Since future deposits in the account may include both delinquent \$388 initial fees and \$300 future Special Construction Fees, care must be taken for appropriate accounting. All \$388 deposits should be credited fully to PAR-TEE LLC as reduction of their \$31,000 contribution. All \$300 deposits should be credited to all who contributed to the initial construction charge on a pro-rated basis. PAR-TEE LLC's portion will be reduced as their contribution of \$31,000 gets reduced.

I would appreciate receiving confirmation of your agreement that the escrow account will be administered as described above or of issues with which you are not in agreement. Should you wish to discuss any of these issues, I can be reached at 502-484-0404.

I enjoyed meeting you last Saturday. Based on both the tone and content of our meeting we feel confident about the future of Glenwood Hall.

Sincerely,



Robert F. Wesselman  
President

→ cc: Mark Seibert

*Bob W*

SPECIAL MEETING OF PERRY PARK RESORT OWNERS  
JUNE 28, 1997

gm6287.doc  
bob wesselman

Background:

Mike Dunn, Pres. of PPRI was at Glenwood Hall 6/27 & 6/28/97. Linda Dunn, Corp. Sec was on site 6/25 to 6/28. Bob Wesselman had discussion with Linda on 6/26 regarding PPRI's request for a special meeting so Mike Dunn could present information on the new water system and other various items, and respond to questions from property owners. A meeting was set up for Sat. 6/28, 600PM at the Rec Center and notices were posted and handed out by the guards.

Meeting:

Bob Wesselman introduced Mike Dunn to the approximately 100 property owners present.

Mike gave a brief overview of PPRI activities since their 2/19/97 take over of Perry Park, stating their objective is to create long term increases in property value and quality of life thereby benefiting both property owners and PPRI. Mike explained Roger Razaki's departure and expressed support for Jim Suhr the new General Manager.

Restaurant- Moving toward year round, 7 day/wk operation perhaps by early Aug. May lean toward "Supper Club". Pursuing "Private Club" permission from state which would permit handling of liquor for members & guests but not a public bar. Could still bring own liquor as done presently.

Swimming Pool- Explained the diving boards were removed by Razaki to reduce risk of injury and potential increases in insurance costs. Do not want to make unilateral decisions. Mike asked Bob Wesselman to advise him as to what property owners want. Bob took a vote with property owners present. They overwhelmingly voted to leave 10 foot diving board down and install 1 meter board. Mike will also look into a request to lower swimming fees or tie into golf membership.

Deer-Discussed a plan for a controlled bow hunt under the direction of Game Warden, Dennis Davis, to thin the deer population. Discussion was held and some objections were raised. Bob Wesselman asked for a vote of those present. The vast majority were in favor of the hunt. Bob gave the opportunity for all opposed to give their reasons, which in summary were 1. safety concerns 2. killing a beautiful animal. Assurances were made the hunt would be safe and the best interests of the deer population favored thinning. A new vote was taken and the vast majority were still in favor.

Geese- They are damaging #9 green and are becoming a nuisance

on the golf course and lake shores. Dennis Davis will be consulted as to possible remedies.

#### Carroll County Water District

Mike stated a rough estimate to bring the current system to modern standards is \$280,000. He recommends going to the Carroll County system which will be available in 1998 at a cost of \$100,000. This cost to be borne by all water users which are currently 225 @ \$444 each. He also stated that per Federal regulations no future hookups can be made in flood plain areas.

Bob Wesselman stated his review of the water billing list indicates 225 resident billings, but only two company users and that the condo bldgs each have only one meter while the townhouses have one per unit. To be fair, the base should reflect all users and all locations where the company will be metered for Carroll County Water. Mike agreed the company will pay for each meter.

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Mike stated a trust fund would be established, final commitment by Sept., money collected by 12/31. The trust fund would be used to place special construction fees collected when future permits are requested for water hookup. These funds would be distributed annually to the original base who financed the \$100,000 construction charge.

#### Miscellaneous-

Garbage pick up--Jim Suhr will follow up to see if universal service would significantly reduce rates.

Golf Course-- Jim stated they have plans to build five ladies tees and improve sand traps. They have consulted a UK professor and Charlie Fedders to improve grass on fairways. Trimak spray to eliminate clover and sowing ryegrass.

Maint Fees.--Mike affirmed that present structure of \$300 & \$180 is arbitrary and can be changed in the future but the bottom line can't decrease. They are getting aggressive in their collection of fees.



**PERRY PARK RESORT OWNERS ASSOCIATION**

P.O. Box 112  
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*Par Tee 2.*

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→ cc: Mark Seibert

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*Bob W*

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gm6287.doc  
bob wesselman

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PERRY PARK RESORT OWNERS ASSOCIATION, INC.  
P.O. BOX 112  
PERRY PARK, KY 40363

6-16-97

Mr. James R. Arabia, Chief Executive Officer  
Reorganized ICH Corp.  
9404 Genesee Avenue, Suite 330  
La Jolla, CA 92037

Dear Jim

This letter is to register disagreement with the position taken by Michael Dunn, President and Linda Dunn, Corporate Secretary, Perry Park Resort Inc. (PPRI) regarding payment of the \$100,000 construction charge levied for connecting the new line from Carroll County Water District into the Glenwood Hall Resort water distribution system.

A meeting was held on June 11, 1997 between Linda Dunn and three members of the Board Of Directors of Perry Park Resort Owners Inc. (PPROA), Bob Wesselman, Kathy Dorning, and Carl Cummins. At that time we were informed by Linda that a commitment letter to the Carroll County Water District was due in the very near future for the purpose of guaranteeing payment of \$100,000 in order for the project to proceed. She further stated that the entire amount was to be paid by the existing 285 paying water users at Glenwood Hall as tap in fees amounting to \$350 each. The monies to be paid prior to start of construction which is currently estimated to begin next spring.

PPROA objects to the sudden dumping of this construction charge onto the backs of the residents at Glenwood Hall. Various arguments presented to Linda that this charge should more appropriately be paid by PPRI were met with her position that there is no money in the PPRI budget for this expense, nor any way to recover it later; that unless we pay, the project will likely bypass Glenwood Hall.

If in fact there is no money in the budget for this project, there certainly should have been. This project and its \$100,000 fee has been in the planning stage for several years. As Chairman of the Equity Committee, you personally met with Jim Smith, the Water District Engineer, on this matter last November. In my own discussions in November with your accountant, Ike Guest, and again with your attorney, John Bicks, I was told that you were anxious to get the Carroll County Water into Glenwood Hall and that it was one of the major "fix" items you would focus on in your efforts to "optimize" the value of Glenwood Hall. While the



likelihood of increased maintenance fees were discussed there was never any indication of intentions to pass on the cost of the water project to the residents. Since you knew even prior to the issuance of the disclosure statement that the water treatment plant at Glenwood Hall was old, worn out and already fully depreciated and that the water project was imminent it would seem reasonable that you would have funded the \$100,000 construction charge required to allow the retirement of your water system.

In addition to the monies recently spent to keep your water treatment system operational, major future expenditures would be required to bring it to Public Service Commission and EPA requirements. Even then it would suffer from an outdated design and insufficient capacity to serve additional sections of the development. Clearly the best interests of PPRI and the residents are served by tying into the Carroll County water project.

From its inception however, the project has not involved the residents directly, either in planning sessions nor in the actual work to be done. Rather it entails tying into the embedded water mains of your existing system. Jim Smith has confirmed that there are no project expenses involving the \$100,000 fee related to resident tie ins, meters, etc. Further, he expressed the view that he expected the owners of Glenwood Hall to pay the fee, not the residents.

In conclusion, Glenwood Hall has contracted with the residents and has been authorized by the state to provide water to the residents. The residents each paid a \$450 tie in fee and pay regulated monthly charges to receive water. The water plant you knowingly took on suffers from limited capacity, outdated technology, worn out equipment, high maintenance, upgrade requirements, and new regulatory requirements. If therefore it is in your best interests (and ours) to close down your plant and shift your contractual obligation to provide water over to the Carroll County Water District, we fully support that decision. However we strongly suggest that the \$100,000 cost for doing so, properly belongs with your company, not with the residents of Glenwood Hall.

Your prompt consideration and response will help insure that the project remains on schedule.

Sincerely

Robert F. Wesselman  
President  
Board Of Directors

cc: Michael Dunn, Linda Dunn

PURPOSE/EMITTER: PROJECT CONTRIBUTION



No. 275324219

10-88  
220

DATE: SEPTEMBER 03, 1998

SIXTY NINE THOUSAND DOLLARS AND 00 CENTS

PAY

**\$69,000.00**

TO THE ORDER OF: CARROLL CO WATER DIST # 1

Drawer: Star Bank

**CUSTOMER'S COPY**

Issued By Integrated Payment Systems Inc., Englewood, Colorado To Citibank (New York State): Buffalo, N.Y.

NON NEGOTIABLE  
*Carolyn Banks*  
AUTHORIZED SIGNATURE

KENTUCKY  
AUTHORIZED BY: *XMM*



CHECKING DEBIT

9/3 10 98

WE HAVE DEBITED YOUR ACCOUNT FOR THE FOLLOWING REASONS.

*cashiers ck.*

PREPARED BY: *[Signature]*  
BRANCH/DEPT. *141*  
PHONE # *732-66001*

[ *PPRI - + PPRDA* ]

AMOUNT  
*69000<sup>00</sup>*

AC # *490120219*      TRAN CODE *97*

EXHIBIT  
*Par-Tee*  
*3*

Burdette  
Babbette 1

PERRY PARK RESORT OWNERS ASSOCIATION, INC.  
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Sincerely

Robert F. Wesselman  
President  
Board Of Directors

cc: Michael Dunn, Linda Dunn

## CARROLL COUNTY WATER DISTRICT PROJECT NOTICE

Your Carroll County Water District Assessment of \$388.00 is now due.

The agreement with the Carroll County Water District states that we must pay our assessments prior to the start of the project, which is due in March. The completion date is mid-summer.

The Property Owners Association (Bob Wesselman and Paul Minch) and the Perry Park Resort Inc. (Curt Moberg and Jackie Clifton) have opened a joint account, requiring signatures from each group before the money can be disbursed to the Carroll County Water District.

In the unforeseen event, that the project is not completed, the people who paid their assessments will have their money refunded.

Your attention and participation to this matter is greatly appreciated.

Please remit your payment to:

Perry Park Resort, Inc & Perry  
Park Resident Owners Assoc.  
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Perry Park, Ky. 40363

2/17/98



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9/2 1998

PAY TO THE ORDER OF

Carroll County Water District #1

\$ 31,000.00

Thirty-one thousand and 00/100

DOLLARS



FOR Water Escrow Project Contribution

Gigg F. A.

042100230

738-56180

0003100000

ENDORSE HERE:

X

FOR DEPOSIT ONLY  
Carroll County Water Dist.

DO NOT SIGN / WRITE / STAMP BELOW THIS LINE  
FOR FINANCIAL INSTITUTION USAGE ONLY

17 81903

98-2

STAR BANK N.A.  
450 SMITH ROAD  
CINCINNATI, OH

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EXHIBIT  
Par-Tee  
4

FIVE BANK REGULATION CC

PURPOSE/REMITTER: PROJECT CONTRIBUTION



No. 275324219

10-88  
220

DATE: SEPTEMBER 03, 1998

SIXTY NINE THOUSAND DOLLARS AND 00 CENTS

PAY

**\$69,000.00**

TO THE ORDER OF: CARROLL CO WATER DIST # 1

Drawer: Star Bank

**CUSTOMER'S COPY**

Issued By Integrated Payment Systems Inc., Englewood, Colorado To Citibank (New York State): Buffalo, N.Y.

NON NEGOTIABLE  
*Shelley Banks*  
AUTHORIZED SIGNATURE

KENTUCKY  
AUTHORIZED BY: XMM  
Kenny? Kewman  
E. E. E. E. E.



CHECKING DEBIT

9/3 19 98

WE HAVE DEBITED YOUR ACCOUNT FOR THE FOLLOWING REASONS.

cashiers ck.

PREPARED BY: *[Signature]*

BRANCH/DEPT. 141

PHONE # 732-6601

PPRI - & PPROA

AMOUNT  
69000<sup>00</sup>

AC# 490120219

TRAN CODE 97

9398

PAY TO THE ORDER OF

Carroll County Water District #1

9/2

1998

\$ 31,000.00

Thirty-one thousand and 00/100

00/100

DOLLARS



THE FIFTH THIRD BANK

OF NORTHERN KENTUCKY  
FT. WRIGHT BANKING CENTER  
100 OAK HIGHLAND FT. WRIGHT, KY 40121

FOR

Water Escrow Project Contribution

Ging F. [Signature]

⑆04 2600 230⑆

738-56180⑈

⑆0003 100000⑆

FEDERAL

RESERVE BANK REGULATION CC

ENDORSE HERE:

X

FOR DEPOSIT ONLY  
Carroll County Water Dist.

DO NOT SIGN / WRITE / STAMP BELOW THIS LINE  
FOR FINANCIAL INSTITUTION USAGE ONLY

117 81903

7-2-98

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STAR BANK N.A.  
4150 SMITH ROAD  
CINCINNATI, OH

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STAR BANK, N.A.  
LOCATION 0999  
CINCINNATI OH 45264-0999



**STAR BANK**  
Bank Without Boundaries



PPRI AND PPROA  
PO BOX 147  
PERRY PARK KY 40363-0147



4-9012021-9  
ITEMS 0  
PAGE 1 OF 2

UPGRADE YOUR "BUSINESS TOOLS" WITH THE STAR BANK VISA BUSINESS CHECK CARD. JUST PRESENT YOUR CARD AT MERCHANT LOCATIONS WHERE VISA CARDS ARE ACCEPTED. THE PURCHASE AMOUNT IS AUTOMATICALLY DEDUCTED FROM YOUR BUSINESS CHECKING ACCOUNT. IT'S EASIER THAN CASH OR CHECKS. CONTACT YOUR STAR BANK BRANCH OR BUSINESS BANKING OFFICER FOR MORE INFORMATION.

FOR 24 HOUR CUSTOMER SERVICE CALL 1-800-627-7827.  
IF HEARING DISABLED CALL OUR TDD# AT 1-800-445-5833.  
VISIT OUR WEB SITE AT WWW.STARBANK.COM

STATEMENT PERIOD FROM: 01/09/98 THRU: 03/27/98

MONEY FUND PLUS	4-9012021-9	\$0.00	\$54,637.59	\$2.30-	\$54,635.29
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PRODUCT: MONEY FUND PLUS 4-9012021-9

INTEREST PAID THIS PERIOD: \$317.59

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
01/09/98	DEPOSIT	\$15,520.00
01/16/98	DEPOSIT	\$10,476.00
01/26/98	INTEREST EARNED	\$21.51
01/27/98	DEPOSIT	\$4,268.00
02/10/98	DEPOSIT	\$7,372.00
02/25/98	INTEREST EARNED	\$116.39
03/02/98	DEPOSIT	\$5,044.00
03/13/98	DEPOSIT	\$6,208.00
03/27/98	DEPOSIT	\$5,432.00
03/27/98	INTEREST EARNED	\$179.69

WITHDRAWALS AND CHARGES

DATE	DESCRIPTION	AMOUNT
02/25/98	TOTAL SERVICE CHARGE (SEE DETAIL BELOW) PER ITEM FEES	\$0.50
03/ 8	TOTAL SERVICE CHARGE (SEE DETAIL BELOW) PER ITEM FEES	\$1.80

STAR BANK, N.A.  
 LOCATION 0999  
 CINCINNATI OH 45264-0999



PPRI AND PPROA  
 PO BOX 147  
 PERRY PARK KY 40363-0147

4-9012021-9  
 ITEMS 0  
 PAGE 1 OF 1

STAR BANK IS PLEASED TO PROVIDE A NEW EQUIPMENT LEASING PROGRAM. CALL 1-888-LEASE-80 OR A STAR BANK OFFICE FOR A CUSTOMIZED LEASE OR LEASE LINE OF CREDIT TO HANDLE ALL YOUR EQUIPMENT NEEDS. IN MOST CASES YOU'LL HAVE AN ANSWER WITHIN 24 HOURS.

FOR 24 HOUR CUSTOMER SERVICE CALL 1-800-827-7827.  
 IF HEARING DISABLED CALL OUR TDD# AT 1-800-445-5833.  
 VISIT OUR WEB SITE AT WWW.STARBANK.COM

STATEMENT PERIOD FROM: 03/27/98 THRU: 06/26/98

ACCOUNT	STATEMENT	OPENING BALANCE	DEPOSITS	WITHDRAWALS	ENDING BALANCE
4-9012021-9	UND PLUS	\$54,635.29	\$13,485.83	\$0.00	\$68,121.12

**S** PRODUCT: MONEY FUND PLUS 4-9012021-9      INTEREST PAID THIS PERIOD: \$681.83

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
04/17/98	DEPOSIT	\$2,716.00 ✓
04/27/98	INTEREST EARNED	\$228.81 ✓
05/14/98	DEPOSIT	\$7,372.00 ✓
05/26/98	INTEREST EARNED	\$222.90 ✓
06/22/98	DEPOSIT	\$2,716.00 ✓
06/26/98	INTEREST EARNED	\$230.12 ✓

OTHER PRODUCT INFORMATION

AVERAGE BALANCE	\$60,153.38
MINIMUM DAILY BALANCE	\$65,175.00
NUMBER OF DAYS IN PERIOD	91
YEAR TO DATE INTEREST EARNED	\$999.42
ANNUAL PERCENTAGE YIELD EARNED	4.62%

STAR BANK, N.A.  
LOCATION 0999  
CINCINNATI OH 45264-0999



**STAR BANK**  
*Bank Without Boundaries*

|||||.....|||||.....|||||.....|||||.....|||||.....

PPRI AND PPROA  
PO BOX 147  
PERRY PARK KY 40363-0147

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— —

4-9012021-9

PAGE 2 OF 2

**OTHER PRODUCT INFORMATION**

AVERAGE BALANCE		\$34,249.88
MINIMUM DAILY BALANCE		\$37,773.40
NUMBER OF DAYS IN PERIOD		78
YEAR TO DATE INTEREST EARNED		\$317.59
ANNUAL PERCENTAGE YIELD EARNED	4.41%	

STAR BANK, N.A.  
LOCATION 0999  
CINCINNATI OH 45264-0999



*Balance  
10.3.98  
OK*



PPRI AND PPROA  
PO BOX 147  
PERRY PARK KY 40363-0147

4-9012021-9  
ITEMS 0  
PAGE 1 OF 1

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STATEMENT PERIOD FROM: 06/26/98 THRU: 09/25/98

MON.	FUND PLUS	4-9012021-9	\$68,121.12	\$2,021.12	\$69,000.00-	\$1,142.24
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**S** PRODUCT: MONEY FUND PLUS 4-9012021-9 INTEREST PAID THIS PERIOD: \$469.12

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
07/27/98	INTEREST EARNED ✓	\$214.05
<del>07/31/98</del>	<del>DEPOSIT ✓</del>	<del>\$1,164.00</del>
08/26/98	INTEREST EARNED ✓	\$204.90
09/03/98	DEPOSIT ✓	\$388.00
09/25/98	INTEREST EARNED	\$50.17

WITHDRAWALS AND CHARGES

DATE	DESCRIPTION	AMOUNT
09/03/98	DEBIT MEMO	\$69,000.00

OTHER PRODUCT INFORMATION

AVERAGE BALANCE	\$51,700.35
MINIMUM DAILY BALANCE	\$1,092.07
NUMBER OF DAYS IN PERIOD	91
YEAR TO DATE INTEREST EARNED	\$1,468.54
ANNUAL PERCENTAGE YIELD EARNED	3.69%

STAR BANK, N.A.  
 LOCATION 0999  
 CINCINNATI OH 45264-0999



PPRI AND PPROA  
 PO BOX 147  
 PERRY PARK KY 40363-0147

4-9012021-9  
 ITEMS 0  
 PAGE 1 OF 1

STAR BANK IS PLEASED TO PROVIDE A NEW EQUIPMENT LEASING PROGRAM. CALL 1-888-LEASE-80 OR A STAR BANK OFFICE FOR A CUSTOMIZED LEASE OR LEASE LINE OF CREDIT TO HANDLE ALL YOUR EQUIPMENT NEEDS. IN MOST CASES YOU'LL HAVE AN ANSWER WITHIN 24 HOURS.

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 IF HEARING DISABLED CALL OUR TDD/ AT 1-800-445-5833.  
 VISIT OUR WEB SITE AT WWW.STARBANK.COM

STATEMENT PERIOD FROM: 09/25/98 THRU: 12/24/98

STATEMENT	ACCOUNT NUMBER	OPENING BALANCE	DEPOSITS	WITHDRAWALS	ENDING BALANCE
09/25/98	4-9012021-9	\$1,142.24	\$7.48	\$0.00	\$1,149.72

PRODUCT: MONEY FUND PLUS 4-9012021-9 INTEREST PAID THIS PERIOD: \$7.48

DATE	DESCRIPTION	AMOUNT
0/26/98	INTEREST EARNED	\$2.70
1/25/98	INTEREST EARNED	\$2.49
2/24/98	INTEREST EARNED	\$2.29

OTHER PRODUCT INFORMATION	
AVERAGE BALANCE	\$1,144.81
MINIMUM DAILY BALANCE	\$1,147.43
NUMBER OF DAYS IN PERIOD	90
YEAR TO DATE INTEREST EARNED	\$1,476.02
ANNUAL PERCENTAGE YIELD EARNED	2.68%



FIRSTAR, N.A.  
 LOCATION 0999  
 CINCINNATI OH 45264-0999



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PPRI AND PPROA  
 PO BOX 147  
 PERRY PARK KY 40363-0147

4-9012021-9  
 ITEMS 0  
 PAGE 1 OF 1

EFFECTIVE JUNE 1, 1999, THE AMOUNT OF FUNDS THAT WILL BE IMMEDIATELY AVAILABLE TO YOU FROM YOUR CHECK DEPOSITS WILL INCREASE FROM \$100 TO \$300.

FOR 24 HOUR CUSTOMER SERVICE CALL 1-800-827-7827.  
 IF HEARING DISABLED CALL OUR TDD# AT 1-800-445-5833.  
 VISIT OUR WEB SITE AT WWW.FIRSTAR.COM

STATEMENT PERIOD FROM: 09/23/99 THRU: 12/22/99

PRODUCT	ACCOUNT NUMBER	BEGINNING BALANCE	DEPOSITS, ADVANCES AND OTHER CREDITS	CHECKS, PAYMENTS AND OTHER DEBITS	ENDING BALANCE
MFP - BUS	4-9012021-9	\$1,169.65	\$6.57	\$0.00	\$1,176.22

PRODUCT: MFP - BUS 4-9012021-9

INTEREST PAID THIS PERIOD: \$6.57

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
10/28/99	INTEREST EARNED	\$2.55
11/22/99	INTEREST EARNED	\$1.83
12/22/99	INTEREST EARNED	\$2.19

OTHER PRODUCT INFORMATION

AVERAGE BALANCE	\$1,171.81
MINIMUM DAILY BALANCE	\$1,174.03
NUMBER OF DAYS IN PERIOD	90
YEAR TO DATE INTEREST EARNED	\$26.50
ANNUAL PERCENTAGE YIELD EARNED	2.30%

Jul 14 99 04:15p

Par-Tee LLC

502-484-2467

**CARROLL COUNTY WATER DISTRICT #1**

Phone (502) 347-9500

PO Box 333  
Carrollton KY 41008

Fax (502) 347-9233

Received on September 4, 1998 from the Glenwood Hall Resort the sum of \$100,000.00 as their contribution to their new extension project.

*Jim Smith*  
Jim Smith, Manager  
Carroll County Water District

R-95X

502 484 2467

07-14-99 04:12PM



*Par Tee 6*

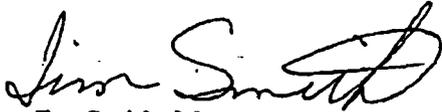
**CARROLL COUNTY WATER DISTRICT #1**

PO Box 333  
Carrollton KY 41008

Phone (502) 347-9500

Fax (502) 347-933

Received on September 4, 1998 from the Glenwood Hall Resort the sum of \$100,000.00 as their contribution to their new extension project.



Jim Smith, Manager  
Carroll County Water District

Par Tee 5

STAR BANK, N.A.  
LOCATION 0999  
CINCINNATI OH 45264-0999



**STAR BANK**  
Bank Without Boundaries



PPRI AND PPROA  
PO BOX 147  
PERRY PARK KY 40363-0147

4-9012021-9  
ITEMS 0  
PAGE 1 OF 2

UPGRADE YOUR "BUSINESS TOOLS" WITH THE STAR BANK VISA BUSINESS CHECK CARD. JUST PRESENT YOUR CARD AT MERCHANT LOCATIONS WHERE VISA CARDS ARE ACCEPTED. THE PURCHASE AMOUNT IS AUTOMATICALLY DEDUCTED FROM YOUR BUSINESS CHECKING ACCOUNT. IT'S EASIER THAN CASH OR CHECKS. CONTACT YOUR STAR BANK BRANCH OR BUSINESS BANKING OFFICER FOR MORE INFORMATION.

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IF HEARING DISABLED CALL OUR TDD# AT 1-800-445-5833.  
VISIT OUR WEB SITE AT WWW.STARBANK.COM

STATEMENT PERIOD FROM: 01/09/98 THRU: 03/27/98

PRODUCT	ACCOUNT NUMBER	OPENING BALANCE	ENDING BALANCE	INTEREST PAID	ENDING BALANCE
MONEY FUND PLUS	4-9012021-9	\$0.00	\$54,637.59	\$2.30	\$54,635.29

**S** PRODUCT: MONEY FUND PLUS 4-9012021-9      INTEREST PAID THIS PERIOD: \$317.59

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
01/09/98	DEPOSIT	\$15,520.00
01/16/98	DEPOSIT	\$10,476.00
01/26/98	INTEREST EARNED	\$21.51
01/27/98	DEPOSIT	\$4,268.00
02/10/98	DEPOSIT	\$7,372.00
02/25/98	INTEREST EARNED	\$116.39
03/02/98	DEPOSIT	\$5,044.00
03/13/98	DEPOSIT	\$6,208.00
03/27/98	DEPOSIT	\$5,432.00
03/27/98	INTEREST EARNED	\$179.69

WITHDRAWALS AND CHARGES

DATE	DESCRIPTION	AMOUNT
02/25/98	TOTAL SERVICE CHARGE (SEE DETAIL BELOW) PER ITEM FEES	\$0.50
03/ .8	TOTAL SERVICE CHARGE (SEE DETAIL BELOW) PER ITEM FEES	\$1.80

STAR BANK, N.A.  
LOCATION 0999  
CINCINNATI OH 45264-0999



PPRI AND PPROA  
PO BOX 147  
PERRY PARK KY 40363-0147

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4-9012021-9  
ITEMS 0  
PAGE 1 OF 1

STAR BANK IS PLEASED TO PROVIDE A NEW EQUIPMENT LEASING PROGRAM. CALL 1-888-LEASE-80 OR A STAR BANK OFFICE FOR A CUSTOMIZED LEASE OR LEASE LINE OF CREDIT TO HANDLE ALL YOUR EQUIPMENT NEEDS. IN MOST CASES YOU'LL HAVE AN ANSWER WITHIN 24 HOURS.

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IF HEARING DISABLED CALL OUR TDD# AT 1-800-445-8833.  
VISIT OUR WEB SITE AT WWW.STARBANK.COM

STATEMENT PERIOD FROM: 03/27/98 THRU: 06/26/98

ACCOUNT NUMBER	ENDING BALANCE	DEPOSITS AND OTHER CREDITS	WITHDRAWALS AND OTHER DEBITS	ENDING BALANCE
MON. UND PLUS 4-9012021-9	\$54,635.29	\$13,485.83	\$0.00	\$68,121.12

**S** PRODUCT: MONEY FUND PLUS 4-9012021-9      INTEREST PAID THIS PERIOD: \$681.83

DATE	DESCRIPTION	AMOUNT
04/17/98	DEPOSIT	\$2,716.00 ✓
04/27/98	INTEREST EARNED	\$228.81 ✓
05/14/98	DEPOSIT	\$7,372.00 ✓
05/26/98	INTEREST EARNED	\$222.90 ✓
06/22/98	DEPOSIT	\$2,716.00 ✓
06/26/98	INTEREST EARNED	\$230.12 ✓

OTHER PRODUCT INFORMATION

AVERAGE BALANCE	\$60,153.38
MINIMUM DAILY BALANCE	\$65,175.00
NUMBER OF DAYS IN PERIOD	91
YEAR TO DATE INTEREST EARNED	\$999.42
ANNUAL PERCENTAGE YIELD EARNED	4.62%

STAR BANK, N.A.  
LOCATION 0999  
CINCINNATI OH 45264-0999



**STAR BANK**  
*Bank Without Boundaries*



PPRI AND PPROA  
PO BOX 147  
PERRY PARK KY 40363-0147

4-9012021-9

PAGE 2 OF 2

**OTHER PRODUCT INFORMATION**

AVERAGE BALANCE		\$34,249.88
MINIMUM DAILY BALANCE		\$37,773.40
NUMBER OF DAYS IN PERIOD		78
YEAR TO DATE INTEREST EARNED		\$317.59
ANNUAL PERCENTAGE YIELD EARNED	4.41%	

STAR BANK, N.A.  
 LOCATION 0999  
 CINCINNATI OH 45264-0999



*Balance*  
 10.3.98  
*OK*



PPRI AND PPROA  
 PO BOX 147  
 PERRY PARK KY 40363-0147

4-9012021-9  
 ITEMS 0  
 PAGE 1 OF 1

STAR BANK IS PLEASED TO PROVIDE A NEW EQUIPMENT LEASING PROGRAM. CALL 1-888-LEASE-80 OR A STAR BANK OFFICE FOR A CUSTOMIZED LEASE OR LEASE LINE OF CREDIT TO HANDLE ALL YOUR EQUIPMENT NEEDS. IN MOST CASES YOU'LL HAVE AN ANSWER WITHIN 24 HOURS.

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 IF HEARING DISABLED CALL OUR TDD# AT 1-800-445-5833.  
 VISIT OUR WEB SITE AT WWW.STARBANK.COM

STATEMENT PERIOD FROM: 06/26/98 THRU: 09/25/98

MON.	FUND PLUS	4-9012021-9	ENDING BALANCE	INTEREST PAID	ENDING BALANCE	ENDING BALANCE
			\$68,121.12	\$2,021.12	\$69,000.00-	\$1,142.24

**S** PRODUCT: MONEY FUND PLUS 4-9012021-9 INTEREST PAID THIS PERIOD: \$469.12

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
07/27/98	INTEREST EARNED ✓	\$214.05
<del>07/31/98</del>	<del>DEPOSIT ✓</del>	<del>\$1,164.00</del>
08/26/98	INTEREST EARNED ✓	\$204.90
09/03/98	DEPOSIT ✓	\$388.00
09/25/98	INTEREST EARNED	\$50.17

WITHDRAWALS AND CHARGES

DATE	DESCRIPTION	AMOUNT
09/03/98	DEBIT MEMO	\$69,000.00

OTHER PRODUCT INFORMATION

AVERAGE BALANCE	\$51,700.35
MINIMUM DAILY BALANCE	\$1,092.07
NUMBER OF DAYS IN PERIOD	91
YEAR TO DATE INTEREST EARNED	\$1,468.54
ANNUAL PERCENTAGE YIELD EARNED	3.69%

STAR BANK, N.A.  
LOCATION 0999  
CINCINNATI OH 45264-0999



**STAR BANK**  
*Bank Without Boundaries*



PPRI AND PPROA  
PO BOX 147  
PERRY PARK KY 40363-0147

4-9012021-9  
ITEMS 0  
PAGE 1 OF 1

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IF HEARING DISABLED CALL OUR TDD# AT 1-800-445-5833.  
VISIT OUR WEB SITE AT WWW.STARBANK.COM

STATEMENT PERIOD FROM: 09/25/98 THRU: 12/24/98

ACCOUNT	ACCOUNT NUMBER	OPENING BALANCE	DEPOSITS, ADVANCES AND OTHER CREDITS	CHECKS, PAYMENTS AND OTHER DEBITS	CLOSING BALANCE
MONEY FUND PLUS	4-9012021-9	\$1,142.24	\$7.48	\$0.00	\$1,149.72

**S** PRODUCT: MONEY FUND PLUS 4-9012021-9      INTEREST PAID THIS PERIOD: \$7.48

DATE	DESCRIPTION	AMOUNT
10/26/98	INTEREST EARNED	\$2.70
11/25/98	INTEREST EARNED	\$2.49
12/24/98	INTEREST EARNED	\$2.29

OTHER PRODUCT INFORMATION	
AVERAGE BALANCE	\$1,144.81
MINIMUM DAILY BALANCE	\$1,147.43
NUMBER OF DAYS IN PERIOD	90
YEAR TO DATE INTEREST EARNED	\$1,476.02
ANNUAL PERCENTAGE YIELD EARNED	2.68%

FIRSTAR, N.A.  
LOCATION 0999  
CINCINNATI OH 45264-0999



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PPRI AND PPROA  
PO BOX 147  
PERRY PARK KY 40363-0147

4-9012021-9  
ITEMS 0  
PAGE 1 OF 1

EFFECTIVE JUNE 1, 1999, THE AMOUNT OF FUNDS THAT WILL BE IMMEDIATELY AVAILABLE TO YOU FROM YOUR CHECK DEPOSITS WILL INCREASE FROM \$100 TO \$300.

FOR 24 HOUR CUSTOMER SERVICE CALL 1-800-827-7827.  
IF HEARING DISABLED CALL OUR TDD# AT 1-800-445-5833.  
VISIT OUR WEB SITE AT WWW.FIRSTAR.COM

STATEMENT PERIOD FROM: 03/25/99 THRU: 06/24/99

PRODUCT	ACCOUNT NUMBER	BEGINNING BALANCE	DEPOSITS, ADVANCES AND OTHER CREDITS	CHECKS, PAYMENTS AND OTHER DEBITS	ENDING BALANCE
MFP - BUS	4-9012021-9	\$1,156.49	\$6.56	\$0.00	\$1,163.05

PRODUCT: MFP - BUS 4-9012021-9 INTEREST PAID THIS PERIOD: \$6.56

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
04/23/99	INTEREST EARNED	\$2.09
05/24/99	INTEREST EARNED	\$2.23
06/24/99	INTEREST EARNED	\$2.24

OTHER PRODUCT INFORMATION

AVERAGE BALANCE	\$1,158.67
MINIMUM DAILY BALANCE	\$1,160.81
NUMBER OF DAYS IN PERIOD	91
YEAR TO DATE INTEREST EARNED	\$13.33
ANNUAL PERCENTAGE YIELD EARNED	2.90%

FIRSTAR, N.A.  
 LOCATION 0999  
 CINCINNATI OH 261-4999



PPRI AND PPROA  
 PO BOX 147  
 PERRY PARK KY 40363-0147

4-9012021-9  
 ITEMS 0  
 PAGE 1 OF 1

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 IF HEARING DISABLED CALL OUR TDD# AT 1-800-445-5833.  
 VISIT OUR WEB SITE AT WWW.FIRSTAR.COM

STATEMENT PERIOD FROM: 09/23/99 THRU: 12/22/99

PRODUCT	ACCOUNT NUMBER	BEGINNING BALANCE	DEPOSITS, ADVANCES AND OTHER CREDITS	CHECKS, PAYMENTS AND OTHER DEBITS	ENDING BALANCE
MFP - BUS	4-9012021-9	\$1,169.65	\$6.57	\$0.00	\$1,176.22

PRODUCT: MFP - BUS 4-9012021-9

INTEREST PAID THIS PERIOD: \$6.57

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
10/28/99	INTEREST EARNED	\$2.55
11/22/99	INTEREST EARNED	\$1.83
12/22/99	INTEREST EARNED	\$2.19

OTHER PRODUCT INFORMATION

AVERAGE BALANCE	\$1,171.81
MINIMUM DAILY BALANCE	\$1,174.03
NUMBER OF DAYS IN PERIOD	90
YEAR TO DATE INTEREST EARNED	\$26.50
ANNUAL PERCENTAGE YIELD EARNED	2.30%

**CASE NO. 99-210**

**IN THE MATTER OF ICH CORPORATION, A/K/A GLENWOOD HALL RESORT AND COUNTRY CLUB, A/K/A PERRY PARK RESORT, AND PAR-TEE, LLC, DBA PERRY PARK RESORT**

**DEFENDANTS:**

**ICH CORPORATION**

**REPRESENTED BY:**

**MARSHALL P. ELDRED, JR.  
KATHERINE YUNKER**

**PAR-TEE, LLC**

**REPRESENTED BY:**

**STACEY L. GRAUSS**

**INTERVENORS: [LIMITED INTERVENTION]**

**DAVID BURDETTE**

**PAUL MINCH**

**ISSUES:**

**THIS IS A SHOW CAUSE PROCEEDING IN WHICH THE DEFENDANTS WERE DIRECTED TO APPEAR AND PRESENT EVIDENCE WHY THEY SHOULD NOT BE SUBJECT TO PENALTIES FOR THE FOLLOWING ALLEGED VIOLATIONS:**

- 1. The sale by ICH of all of its assets, including a water and sewer utility, to Par-Tee, without first obtaining PSC approval as required by KRS 278.020 (4) and (5).**
- 2. The failure by Par-Tee to "issue, file and post" a notice adopting the tariffs of ICH, as required by 807 KAR 5:011, Section 11.**
- 3. The collection by Par-Tee of compensation for providing water and sewer utility services without filing a tariff schedule for the services, as required by KRS 278.160 and 807 KAR 5:011, Section 2.**
- 4. Collecting from residents of Glenwood Hall Resort and Country Club, a tap-on fee of \$388 to connect to a proposed line expansion by the Carroll County Water District, without having a tariff authorizing the charge, in violation of KRS 278.160.**

**The original show cause order was issued on May 24, 1999. Among other things, the order directed Par-Tee to discontinue charging for any services for which there was not a filed tariff. It also directed Par-Tee to discontinue collecting the tap-on fee. According to the Staff's summary of an IC, the parties reached an agreement with staff to settle the first three issues by each paying a \$500 fine for the violations charged. The agreement further permitted Par-Tee to retain the sums collected for water and sewer services prior to the PSC order of May 24<sup>th</sup>, and to charge the residents for services provided after that date. Remaining in dispute were the violations charged issue 4 of collecting the tap-on fee. However, the settlement agreement refers only to the violations charged in the first issue. The settlement agreement has been approved by the PSC.**

ICH 1

P.S.C. Ky. No. 1

Cancels P.S.C. Ky. No. 1

ICH CORPORATION, d/b/a GLENWOOD HALL RESORT AND COUNTRY CLUB  
a/k/a PERRY PARK RESORT  
OF  
PERRY PARK, KENTUCKY

Rates, Rules and Regulations for Furnishing  
Sewer Service

AT

GLENWOOD HALL RESORT AND COUNTRY CLUB, a/k/a PERRY PARK RESORT  
PERRY PARK, KENTUCKY

Filed with  
PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED July 15, 1991

EFFECTIVE July 15, 1991

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 15 1991

ISSUED BY ICH CORPORATION  
d/b/a Glenwood Hall Resort &  
Country Club, Perry Park, KY  
(Name of Utility)

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY John T. Hull  
John T. Hull  
Senior Vice President

BY: [Signature]  
PUBLIC SERVICE COMMISSION MANAGER



Glenwood Hall Resort & Country Club  
a/k/a Perry Park Resort, Perry Park  
FOR Owen County, Kentucky

ICH CORPORATION  
Glenwood Hall Resort & Country Club  
Perry Park, Kentucky

P.S.C. Ky. No. 1

1st Revised Sheet No. 2

Canceling P.S.C. Ky. No. 1

Original Sheet No. 2

RULES AND REGULATIONS

1. Bill will be dated the 1st of each month and mailed immediately. Said bills are to be paid within 10 days. Any bills unpaid after 30 days from the date of bill, will be subject to a 10% penalty.
2. Complaints may be made to the operators of the system for correction.
3. Sewer bills may be paid at ICH Corporation, d/b/a Glenwood Hall Resort & Country Club, 100 Mallard Creek Road, Suite 400, P.O. Box 7940, Louisville, Kentucky 40207/40257-0940.

Also see Exhibit "1" which is attached hereto and incorporated herein, which is extracted from the Property Report dated January 1, 1982, which is filed with the Office of Interstate Land Sales Registration, HUD Building, 451 Seventh Street, S.W., Washington, D.C. 20410.

(OILSR No. 0-00293-20-1(R))

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 15 1991

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: John T. Hull  
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE July 15, 1991  
Month Day Year

DATE EFFECTIVE July 15, 1991  
Month Day Year

ISSUED BY John T. Hull Senior Vice President 100 Mallard Creek Rd.  
Name of Officer Title Louisville, KY 40207  
Address

P.S.C. Ky. No. 2

Cancels P.S.C. Ky. No. 2

I.C.H. CORPORATION, d/b/a GLENWOOD HALL RESORT AND COUNTRY CLUB  
a/k/a PERRY PARK RESORT OF  
PERRY PARK, KENTUCKY

Rates, Rules and Regulations for Furnishing  
Water Service

AT  
GLENWOOD HALL RESORT AND COUNTRY CLUB, a/k/a PERRY PARK RESORT  
PERRY PARK, KENTUCKY

Filed with PUBLIC SERVICE COMMISSION OF  
KENTUCKY

ISSUED.....July 15....., 1991..

EFFECTIVE.....July 15....., 1991..

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 15 1991

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: [Signature]  
PUBLIC SERVICE COMMISSION MANAGER

ICH CORPORATION  
d/b/a Glenwood Hall & Country Cl  
Perry Park, Kentucky

ISSUED BY.....  
(Name of Utility)

BY: [Signature]  
John T. Hull  
Senior Vice President

Glenwood Hall Resort & Country Club  
 a/k/a Perry Park Resort, Perry Park  
 For Owen County, Kentucky  
 Community, Town or City

Form for filing Rate Schedules

ICH CORPORATION  
 d/b/a Glenwood Hall Resort & Country Club  
 Perry Park, Kentucky

P.S.C. NO. 2

2nd Revision SHEET NO. 1

CANCELLING P.S.C. NO. 2

1st Revised SHEET NO. 1

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

		RATE PER UNIT
<u>Only one class for all consumers:</u>		
5/8 " Meter Minimum	First 2,000 Gallons	\$19.54 Minimum Bill
	Next 8,000 Gallons	\$11.80 per Thousand
	Over 10,000 Gallons	\$ 9.97 per Thousand
Tie on fee:	Unit NO. 1	\$450
	Unit No. 2	\$450
	Unit No. 3	\$450
	Unit No. 4	\$450
	Unit No. 101	\$450
	Unit 10 Lots 1009 through and including 1032	\$450
	Unit 11 Lots 1101 and 1103, and 1175	\$450
	Unit 12 Lots 1215 through and including 1229 and 1240 through and including 1270	\$450

PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 \$450 EFFECTIVE

APR 15 1998

PURSUANT TO 807 KAR 5.011,  
 SECTION 9(1)  
 BY: Stephen D. Bell  
 SECRETARY OF THE COMMISSION

DATE OF ISSUE April 22, 1998

DATE EFFECTIVE May 15, 1998

ISSUED BY Curt Moberg  
 Name of Officer

TITLE Vice President

Issued by authority of an Order of the Public Service Commission of Kentucky  
 in Case No. 97-516 dated April 15, 1998

Glenwood Hall Resort & Country Club  
a/k/a Perry Park Resort, Perry Park

FOR Owen County, Kentucky

P.S.C. Ky. No. 2

1st Revision        Sheet No.       

Cancelling P.S.C. Ky. No. 2

Original        Sheet No. 2

ICH CORPORATION, d/b/a  
Glenwood Hall Resort & Country Club  
Perry Park, Kentucky

RULES AND REGULATIONS

1. Bills will be dated the 1st of each month and mailed immediately. Said bills are to be paid within 10 days. Any bills unpaid after 30 days from the date of bill will be subject to a 10% penalty.
2. Complaints may be made to the operators of the system for correction.
3. Water Bills may be paid at ICH Corporation, d/b/a Glenwood Hall Resort & Country Club, 100 Mallard Creek Road, Suite 400, P. O. Box 7940, Louisville, Kentucky 40207/40257-0940.

Also see Exhibit "1" which is attached hereto and incorporated herein, which is extracted from the Property Report dated January 19, 1982, which is filed with the Office of Interstate Land Sales Registration, HUD Building, 451 Seventh Street, S.W., Washington, D.C. 20410. (OILSR No. 0-00293-20-1(R)).

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 15 1991

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: *Clara Belle*  
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE July 15, 1991  
Month Day Year

DATE EFFECTIVE July 15, 1991  
Month Day Year

ISSUED BY John T. Hull Senior Vice President  
Name of Officer Title

100 Mallard Creek Road, Suite 400  
Louisville, KY 40207  
Address



PLEASE SEND PAYMENT TO -

GLENWOOD HALL RESORT  
P.O. BOX 7940  
LOUISVILLE, KY 40257-0940

NOV 01, 1992

LANE LOUIE D JR & MARY JULIE  
P O BOX 26  
PERRY PARK, KENTUCKY  
40363

001-B-0001B

DESCRIPTION		AMOUNT
SEWER FEE	CURRENT PERIOD	\$4.00
GROSS WATER BILL	CURRENT PERIOD	\$6.50
		-----
BALANCE DUE		\$10.50

METER READING 10/15/92	255380
PREVIOUS METER READING	254130
	-----
GALLONS WATER USED	1250

RECEIVED  
DEC 28 1992  
ICH LEGAL DEPT

IF YOU HAVE ANY QUESTIONS  
CONCERNING THIS ACCOUNT,  
PLEASE CALL 502-894-2100

PAYMENTS RECEIVED AFTER 20TH ARE NOT REFLECTED.

RECEIVED

OCT 29 1993

P.S.C.  
RATES & RESEARCH DIV.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

NOV 27 1993

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: *Sharon Delle*  
PUBLIC SERVICE COMMISSION MANAGER

P.S.C. Ky. No. 1

Cancels P.S.C. Ky. No. 1

ICH CORPORATION, d/b/a GLENWOOD HALL RESORT AND COUNTRY CLUB  
a/k/a PERRY PARK RESORT  
OF  
PERRY PARK, KENTUCKY

Rates, Rules and Regulations for Furnishing  
Sewer Service

AT

GLENWOOD HALL RESORT AND COUNTRY CLUB, a/k/a PERRY PARK RESORT  
PERRY PARK, KENTUCKY

Filed with  
PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED July 15, 1991

EFFECTIVE July 15, 1991

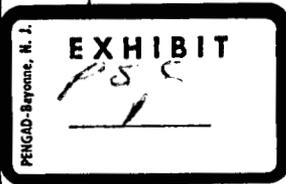
PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 15 1991

ISSUED BY ICH CORPORATION  
d/b/a Glenwood Hall Resort &  
Country Club, Perry Park, KY  
(Name of Utility)

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)  
BY: [Signature]  
PUBLIC SERVICE COMMISSION MANAGER

BY: [Signature]  
John T. Hull  
Senior Vice President



PENGAD-Raymond, N. J.



Glenwood Hall Resort & Country Club  
a/k/a Perry Park Resort, Perry Park  
FOR Owen County, Kentucky

ICH CORPORATION  
Glenwood Hall Resort & Country Club  
Perry Park, Kentucky

P.S.C. Ky. No. 1

1st Revised Sheet No. 2

Canceling P.S.C. Ky. No. 1

Original Sheet No. 2

RULES AND REGULATIONS

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(OILSR No. 0-00293-20-1(R))

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 15 1991

PURSUANT TO 807 KAR 5:011.  
SECTION 9 (1)

BY: Chapman  
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE July 15, 1991  
Month Day Year

DATE EFFECTIVE July 15, 1991  
Month Day Year

ISSUED BY John T. Hull Senior Vice President  
Name of Officer Title

100 Mallard Creek Rd.  
Louisville, KY 40207  
Address

P.S.C. Ky. No. 2

Cancels P.S.C. Ky. No. 2

I.C.H. CORPORATION, d/b/a GLENWOOD HALL RESORT AND COUNTRY CLUB  
a/k/a PERRY PARK RESORT OF  
PERRY PARK, KENTUCKY

Rates, Rules and Regulations for Furnishing  
Water Service

AT  
GLENWOOD HALL RESORT AND COUNTRY CLUB, a/k/a PERRY PARK RESORT  
PERRY PARK, KENTUCKY

Filed with PUBLIC SERVICE COMMISSION OF  
KENTUCKY

ISSUED July 15, 1991

EFFECTIVE July 15, 1991

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 15 1991

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: *[Signature]*  
PUBLIC SERVICE COMMISSION MANAGER

ICH CORPORATION  
d/b/a Glenwood Hall & Country Cl  
Perry Park, Kentucky

ISSUED BY: .....  
(Name of Utility)

*[Signature]*  
BY: John T. Hull  
Senior Vice President

Form for filing Rate Schedules

Glenwood Hall Resort & Country Club  
 a/k/a Perry Park Resort, Perry Park  
 For Owen County, Kentucky  
 Community, Town or City

ICH CORPORATION  
 d/b/a Glenwood Hall Resort & Country Club  
 Perry Park, Kentucky

P.S.C. NO. 2  
 2nd Revision SHEET NO. 1  
 CANCELLING P.S.C. NO. 2  
 1st Revised SHEET NO. 1

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

		RATE PER UNIT
<u>Only one class for all consumers:</u>		
5/8 " Meter Minimum	First 2,000 Gallons	\$19.54 Minimum Bill
	Next 8,000 Gallons	\$11.80 per Thousand
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PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 \$450 EFFECTIVE

APR 15 1998

PURSUANT TO 807 KAR 5.011,  
 SECTION 9(1)  
 BY: Stephan O. Bell  
 SECRETARY OF THE COMMISSION

DATE OF ISSUE April 22, 1998

DATE EFFECTIVE ~~May 15, 1998~~

ISSUED BY Curt Moberg  
 Name of Officer

TITLE Vice President

Issued by authority of an Order of the Public Service Commission of Kentucky  
 in Case No. 97-516 dated April 15, 1998

Glenwood Hall Resort & Country Club  
a/k/a Perry Park Resort, Perry Park

FOR Owen County, Kentucky

P.S.C. Ky. No. 2

1st Revision Sheet No.

Cancelling P.S.C. Ky. No. 2

Original Sheet No. 2

ICH CORPORATION, d/b/a  
Glenwood Hall Resort & Country Club  
Perry Park, Kentucky

RULES AND REGULATIONS

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PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 15 1991

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: John T. Hull  
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE July 15, 1991  
Month Day Year

DATE EFFECTIVE July 15, 1991  
Month Day Year

ISSUED BY John T. Hull Senior Vice President  
Name of Officer Title

100 Mallard Creek Road, Suite 400  
Louisville, KY 40207  
Address

Glenwood Hall Resort & Country Club  
a/k/a Perry Park Resort, Perry Park  
FOR Owen County, Kentucky

P.S.C. Ky. No. 2

SOUTHWESTERN LIFE CORPORATION, d/b/a  
Glenwood Hall Resort & Country Club  
Perry Park, Kentucky

1st Revision Sheet No. \_\_\_\_\_

Canceling P.S.C. Ky. No. 2

Original Sheet No. 3

### RULES AND REGULATIONS

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1. Select employees, current or retired living at the Glenwood Hall Resort and Country Club will receive free service. A list of these individuals will be on file at the water plant. This is in accordance with KRS 278.170

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

APR 31 1995

PURSUANT TO 807 KAR 5.011.  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

---

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DATE OF ISSUE April 1, 1995 DATE EFFECTIVE April 1, 1995  
Month Day Year Month Day Year

ISSUED BY Charles L. Greiner Assistant Secretary 100 Mallard Creek Rd., Ste 400  
Name of Officer Title Louisville, Kentucky 40207  
Address

PLEASE SEND PAYMENT TO -

GLENWOOD HALL RESORT  
P.O. BOX 7940  
LOUISVILLE, KY 40257-0940

NOV 01, 1992

LANE LOUIE D JR & MARY JULIE  
P O BOX 26  
PERRY PARK, KENTUCKY

001-B-0001B

40363

DESCRIPTION	
SEWER FEE	CURRENT PERIOD
GROSS WATER BILL	CURRENT PERIOD

**RECEIVED**  
DEC 28 1992  
**ICH LEGAL DEPT**

AMOUNT

\$4.00  
\$6.50

BALANCE DUE

-----  
\$10.50

METER READING 10/15/92	255380
PREVIOUS METER READING	254130
	-----
GALLONS WATER USED	1250

IF YOU HAVE ANY QUESTIONS  
CONCERNING THIS ACCOUNT,  
PLEASE CALL 502-894-2100

PAYMENTS RECEIVED AFTER 20TH ARE NOT REFLECTED.

**RECEIVED**

OCT 29 1993

P.S.C.  
RATES & RESEARCH DIV.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

NOV 27 1993

PURSUANT TO 807 KAR 5:011.  
SECTION 9 (1)

BY: [Signature]  
PUBLIC SERVICE COMMISSION MANAGER

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ICH CORPORATION A/K/A GLENWOOD HALL  
RESORT AND COUNTRY CLUB A/K/A PERRY  
PARK RESORT AND PAR-TEE LLC D/B/A  
PERRY PARK RESORT

FILED

MAR 28 2000

PUBLIC SERVICE  
COMMISSION

ALLEGED VIOLATION OF KRS 278.020(4),  
KRS 278.020(5), 278.160 AND COMMISSION  
REGULATIONS 807 KAR 5:011, SECTION 2,  
AND 807 KAR 5:011, SECTION 11

CASE NO. 99-210

TRANSCRIPT OF EVIDENCE

DATE OF HEARING: March 14, 2000

1 APPEARANCES

2 HON. PAUL SHAPIRO, HEARING OFFICER

3 HON. JAMES R. GOFF, COUNSEL FOR COMMISSION STAFF

4 FOR ICH CORPORATION:

5 KATHERINE K. YUNKER

6 P. O. BOX 21784

7 LEXINGTON, KENTUCKY 40522-1784

8 HON. MARSHALL P. ELDRED, JR.

9 BROWN, TODD & HEYBURN

400 WEST MARKET, SUITE 3200

LOUISVILLE, KENTUCKY 40202-3363

10 FOR PAR-TEE LLC:

11 HON. JAMES G. WOLTERMANN

12 ADAMS, STEPNER, WOLTERMANN & DUSING

13 40 WEST PIKE STREET

COVINGTON, KENTUCKY 41012

14 INTERVENORS:

15 MR. PAUL DEAN MINCH

16 P. O. BOX 58

PERRY PARK, KENTUCKY 40363

17 MR. DAVID BURDETTE

18 45 SPRINGPORT

19 P. O. BOX 116

PERRY PARK, KENTUCKY 40363

CONNIE SEWELL

COURT REPORTER

1705 SOUTH BENSON ROAD  
FRANKFORT, KENTUCKY 40601

(502) 875-4272

I N D E X

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HEARING OFFICER SHAPIRO:

This is a hearing before the Kentucky Public Service Commission in the matter of ICH Corporation and Par-Tee LLC. Is ICH Corporation present and ready to proceed?

MS. YUNKER:

We are, Your Honor.

HEARING OFFICER SHAPIRO:

And is Par-Tee LLC present and ready to proceed?

MR. WOLTERMANN:

Yes, we are.

HEARING OFFICER SHAPIRO:

We have two intervenors in this proceeding, David Burdette and Paul Minch. Are they here?

MR. MINCH:

Yes, sir.

MR. BURDETTE:

Yes, sir.

HEARING OFFICER SHAPIRO:

Okay. Let me have appearance of counsel, first, for ICH Corporation.

MS. YUNKER:

Appearing for ICH Corporation, Katherine K. Yunker, P. O. Box 21784, Lexington, Kentucky 40502, and with me is Marshall P. Eldred, Jr., Brown, Todd & Heyburn . . .

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MR. ELDRED:

400 West Market, . . .

MS. YUNKER:

There you go.

MR. ELDRED:

. . . Suite 3200, Louisville 40202.

HEARING OFFICER SHAPIRO:

Okay. And for Par-Tee LLC?

MR. WOLTERMANN:

James Woltermann, W-o-l-t-e-r-m-a-n-n, 40 West Pike  
Street, Covington, Kentucky 41011.

HEARING OFFICER SHAPIRO:

Okay. Mr. Minch, would you give us your full name and  
address, please?

MR. MINCH:

Paul Dean Minch, P. O. Box 58, Perry Park, Kentucky.

HEARING OFFICER SHAPIRO:

Okay. And Mr. Burdette?

MR. BURDETTE:

David Burdette, B-u-r-d-e-t-t-e, Box 116, 45  
Springport, Perry Park, Kentucky.

HEARING OFFICER SHAPIRO:

And for Commission staff?

MR. GOFF:

James R. Goff.

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HEARING OFFICER SHAPIRO:

Mr. Burdette or Mr. Minch, are either one of you attorneys?

MR. MINCH:

No, sir.

MR. BURDETTE:

No.

HEARING OFFICER SHAPIRO:

Well, then let me explain what we'll be doing here this morning so you'll have some understanding of what's going on. This is what is known as a show cause hearing, and what that means is that the parties in this action who are not intervenors, ICH and Par-Tee LLC, and I'll refer to them as the defendants, have been charged with certain violations of the statutes and the regulations, and they have been told essentially to appear here today and explain why they should not be punished for those violations. They can either defend it by saying they haven't violated the statute or regulation or that, if they have violated it, they haven't violated it to the extent that they should be punished for it. So they will be presenting evidence on their own behalf. Both of them are represented by counsel. I'm sure they're going to have witnesses. You will also be given an opportunity to

1 offer proof in this case as well. I would assume,  
2 though, that your proof would be in rebuttal to  
3 whatever they would say, so they will probably present  
4 their evidence before you do. Commission staff will  
5 also present evidence because they will have to  
6 establish that there was, in fact, a violation. It  
7 will be like a trial. As each witness testifies, they  
8 will be examined first by their own attorneys, and then  
9 they will be tendered for cross examination, and then  
10 you'll be allowed to cross examine them as well. Do  
11 you have any questions about the proceeding, or do you  
12 think you know enough that we can proceed and maybe  
13 pick up what you don't know as we go along?

14 MR. BURDETTE:

15 Yes, sir.

16 HEARING OFFICER SHAPIRO:

17 Okay. Mr. Goff, do you have anything to present at  
18 this time?

19 MR. GOFF:

20 No, sir, we do not.

21 HEARING OFFICER SHAPIRO:

22 Well, let me ask the parties. You've been - well, let  
23 me first ask. I'm not sure where we stand in this  
24 proceeding. As I understand it, there's a settlement  
25 agreement, and there's one in the file, but the

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original Order alleged four violations, and then there was an informal conference, and, during the course of the informal conference, apparently, settlement was reached with respect to the first three; is that correct?

MS. YUNKER:

That's correct.

MR. GOFF:

That is correct.

HEARING OFFICER SHAPIRO:

And then the only issue that wasn't agreed upon was the one involving the payment of tap-on fees for the proposed line expansion by the Carroll County Water District; is that right?

MS. YUNKER:

Correct.

HEARING OFFICER SHAPIRO:

So is that the only issue here today?

MR. GOFF:

I think combined with that there may be a charge for untariffed services in . . .

HEARING OFFICER SHAPIRO:

Well, that's what I was wondering about because, according to the summary, the way I understood the summary, those issues were part of the settlement, but,

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according to the settlement agreement, they weren't included; is that right?

MR. GOFF:

That's right. The only thing that was in the settlement agreement was the transfer of the facilities without seeking the prior approval of the Commission.

HEARING OFFICER SHAPIRO:

So what is in issue here today, then, is the issue over whether - I guess it was both ICH and Par-Tee - well, no, I guess ICH had a tariff on file; is that right?

MR. GOFF:

Yes.

HEARING OFFICER SHAPIRO:

Is that correct?

MR. GOFF:

There was a tariff on file; yes.

HEARING OFFICER SHAPIRO:

So the question - there's an issue of whether Par-Tee collected charges for water and sewer services without having a tariff on file; is that right?

MR. GOFF:

The issue is that, apparently, prior to the transfer of the facilities from ICH to Par-Tee there was a fee charged or an assessment made to the residents of the community for the Carroll County Water District hookup.

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HEARING OFFICER SHAPIRO:

Right. Is that the only issue that has been . . .

MR. GOFF:

That is the issue that is here before the Commission today.

HEARING OFFICER SHAPIRO:

Okay. Because in the original Order, though, they were also charged with providing water and sewer services without having a tariff on file, but I think that . . .

MR. GOFF:

And I think that was mostly addressed to Par-Tee.

HEARING OFFICER SHAPIRO:

Par-Tee?

MR. GOFF:

Yes.

HEARING OFFICER SHAPIRO:

But that has been resolved as part of the settlement agreement?

MR. GOFF:

That was not resolved as part of the settlement agreement.

HEARING OFFICER SHAPIRO:

That's still an issue but it's not an issue here?

MR. GOFF:

It's not so much an issue here, no, at this time.

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HEARING OFFICER SHAPIRO:

Well, where is it? I mean, it's not going to be addressed at this particular hearing?

MR. GOFF:

I don't know if counsel is prepared to address that issue today. I'm not - we were . . .

MR. WOLTERMANN:

That was not, as I understood it, a part of the Commission's Order for this hearing today. We have a tariff now in place that is approved and under which we are making monthly charges for sewer and water.

HEARING OFFICER SHAPIRO:

Okay. So the only issue then here today involves the payment of the \$388 tap-on fee; is that right?

MR. WOLTERMANN:

What is alleged to be a tap-on fee.

HEARING OFFICER SHAPIRO:

Okay. Is that right?

MR. GOFF:

For purposes of this hearing, yes.

HEARING OFFICER SHAPIRO:

Okay. And I assume that it's agreed that the residents of this - is it a subdivision? Is that right?

MR. WOLTERMANN:

It's a resort community around a golf course in Perry

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Park.

HEARING OFFICER SHAPIRO:

Well, in any event, the residents of the resort community were charged or did pay a fee of \$388; is that right?

MR. WOLTERMANN:

Possibly it would be best if we did an opening statement to maybe familiarize the Hearing Officer with the facts, but there was an amount of money, \$100,000, as a part of a much larger project for Carroll County Water District to extend their water line. Carroll County Water District was bringing it up past Perry Park. They were not bringing it into Perry Park. They were using existing lines, existing tap-ins, within Perry Park. It was merely a new source of water. Perry Park had water for years based upon well water that went into a pump which was pumped into the lines and which people had paid tap-in fees when they first built their houses. Carroll County offered, as a part of this extension, which was pursuant, apparently, to a federal grant to extend the water system of Carroll County Water District to include Perry Park for a fee of \$100,000. In doing so, they were merely going to take their water line and run it into the pump station at Perry Park. Nothing else was changing. So, when

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this is denominated a tap-in charge, there is no new tap-ins.

HEARING OFFICER SHAPIRO:

Okay. But there was, in fact, a charge made to the residents of the resort community; is that right?

MR. WOLTERMANN:

By agreement between the homeowners . . .

HEARING OFFICER SHAPIRO:

Okay. I'm sure you can flesh this thing out.

MR. WOLTERMANN:

There was a notice to all of the residents.

MS. YUNKER:

Yes, some residents did pay \$388 toward a fund that was eventually turned over to the Carroll County Water District.

MR. WOLTERMANN:

But not all.

HEARING OFFICER SHAPIRO:

Okay. And it's that payment that the Commission staff has charged as being in violation of the statute; is that right?

MR. GOFF:

That's correct.

HEARING OFFICER SHAPIRO:

Okay. So we're agreed on that part of it anyway.

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Okay. Then I'll let you all - who wants to go first;  
ICH or . . .

MS. YUNKER:

There are some members of the public here, as I  
understand, residents from the Perry Park Resort, and I  
know it's traditional to give them an opportunity to  
comment. Is that not the case in a complaint  
proceeding?

HEARING OFFICER SHAPIRO:

Well, I wasn't aware that anybody was interested in  
doing that, but, if they are . . .

MS. YUNKER:

Okay.

HEARING OFFICER SHAPIRO:

Is there anybody here who would like to make a comment  
for the record? There's no one . . .

MS. YUNKER:

Okay.

MRS. BURDETTE:

The only comment is that we paid . . .

HEARING OFFICER SHAPIRO:

Okay. Just say yes or no. Do you wish to make a  
comment for the record?

MRS. BURDETTE:

Yes.

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HEARING OFFICER SHAPIRO:

Okay. Why don't you come around, then, to the witness stand?

The witness, LINDA BURDETTE, stated as follows:

EXAMINATION

BY HEARING OFFICER SHAPIRO:

Q. Would you give us your name, please?

A. Yes. Well, the only comment I have to . . .

Q. No. What is your name, please?

A. Oh! Linda Burdette.

Q. And your address, Ms. Burdette?

A. 45 Springport, P. O. Box 116, Perry Park.

Q. Okay. You wish to make a comment with respect to this proceeding; is that correct?

A. Yes.

Q. What is your comment?

A. The comment is every resident in there had to pay a charge for water and sewer. In our case, it was \$1,500. The ones that didn't have sewer, I don't know exactly what they had to pay, but, anyway, so somebody owes us for this hookup to water and sewer. So why should we have to pay again when they agreed they were going to pay for it originally, ICH, and then they come around and charge us \$388 after us paying \$1,500. That's the only comment I have. It doesn't seem fair.

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HEARING OFFICER SHAPIRO:

Okay. Thank you, Mrs. Burdette.

A. Uh-huh.

HEARING OFFICER SHAPIRO:

Does anybody else wish to make a comment at this time? Okay. All right. We'll proceed, then, with the evidentiary portion of the hearing.

MS. YUNKER:

Okay. May we make a brief opening?

HEARING OFFICER SHAPIRO:

You don't need to make an opening statement.

MS. YUNKER:

Okay. We would like to start with our witnesses with John Bicks.

HEARING OFFICER SHAPIRO:

Okay. Mr. Bicks, how do you spell your name, please?

MR. BICKS:

B-i-c-k-s.

WITNESS SWORN

1                   The witness, JOHN A. BICKS, after having been  
2 first duly sworn, testified as follows:

3                                   DIRECT EXAMINATION

4 BY MS. YUNKER:

5 Q.     Mr. Bicks, will you please state your full name and  
6 your business address?

7 A.     John A. Bicks, B-i-c-k-s, 780 Third Avenue, New York,  
8 New York 10017.

9 Q.     And would you please state your relationship to your  
10 position with ICH Corporation?

11 A.     I'm Executive Vice President and General Counsel of ICH  
12 Corporation.

13 Q.     And how long have you been associated with ICH  
14 Corporation?

15 A.     I've been employed by the company for two years. For  
16 about a year and a half prior to that, I served as  
17 outside counsel to the company.

18 Q.     Okay. How was it that ICH - well, first, would you  
19 describe the property at Perry Park, please?

20 A.     As best I could describe it, it's a parcel of  
21 approximately 3,000 acres, perhaps slightly more, which  
22 consists of a golf course, a lot of undeveloped  
23 property, a number of developed homes, and a number of  
24 lakes, I believe.

25 Q.     Okay. And that included, as well, an operating system

1 for both sewer and utility service for those who  
2 resided or for the structures that were within the  
3 confines of Perry Park?

4 A. Yes.

5 Q. When you became involved with ICH Corporation, this was  
6 because ICH Corporation had gone into bankruptcy  
7 proceedings; is that correct?

8 A. Yes.

9 Q. To come out of bankruptcy, if you will, the assets of  
10 the corporation, including those at Perry Park, went to  
11 a group of creditors or equity holders; is that . . .

12 A. In its prior life in the late 1980s, ICH Corporation  
13 was a large insurance holding company. In 1995, before  
14 I or the other people who are currently involved with  
15 the company were involved in it, the company filed for  
16 Chapter 11, sold off its operating insurance  
17 businesses, and, as part of the Chapter 11 plan that  
18 was ultimately confirmed, the Bankruptcy Court signed  
19 off on ICH coming out as basically a clean corporate  
20 shell with very little by way of assets, about \$6 mil-  
21 lion or \$7 million in cash and the Perry Park piece of  
22 real estate. That was the negotiated resolution  
23 between the creditors and the shareholders of the  
24 company.

25 Q. Okay. And ICH Corporation - we'll call that the new

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ICH, if that's all right - approximately what time was that, that it was formed or . . .

A. ICH emerged from Chapter 11 in February of 1997, and I believe the effective date of the Chapter 11 plan was February 19 of 1997.

Q. Okay. Eventually, the Perry Park assets were transferred by ICH; is that correct?

A. In 1998, ICH sold the Perry Park assets to Par-Tee LLC.

Q. All of the assets?

A. Yes.

Q. So ICH Corporation has no continuing interest in Perry Park or its operations?

A. None whatsoever.

Q. Okay. And what was the date of the transfer again?

A. To Par-Tee was, I believe, July 31 of 1998.

Q. Okay. Were you aware that there was an opportunity for the Perry Park water system to interconnect or to join in some way with the Carroll County Water District?

A. I was.

Q. And what was that opportunity?

A. In February of 1997, when we came to be fully vested in the ownership of Perry Park by virtue of the Chapter 11 plan, we immediately began to involve ourselves in the operation of the property trying to find out what was going on. Also, very shortly after February, 1997,

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there was, as I recall, a very severe 100 year flood in the area which had the effect, I think, of knocking out, you know, a substantial part of the water system for some period of time, you know, reeking a lot of havoc. At this same time, discussions were underway with the Carroll County Water District because they were going to take a brand new water main right down the highway to another town, not into Perry Park but to another town. They were going to go right by the front gate, and so there were discussions underway with Carroll County representatives as to what would it take to get Perry Park hooked on to the same water main.

Q. Okay. And do you recall what eventually was the decision about what it would take?

A. The resolution that I recall was that it was agreed that, in return for a payment of \$100,000 as well as certain, you know, grants of easements over the property and I think deeding a very small parcel of land to Carroll County inside the park, a very small 20 by 30 foot piece of land, for a pumping station, Carroll County would then agree to tap the existing Perry Park water system onto the new main that they were going to run down the highway.

Q. Was \$100,000 eventually transferred to Carroll County Water District?

1 A. Not so far as I know during ICH's ownership of the  
2 property.  
3 Q. Okay. Had funds been gathered for the purpose of  
4 turning them over to Carroll County Water District  
5 before the transfer to Par-Tee?  
6 A. Yes. We had begun the process of collecting the  
7 \$100,000 and, at the time of the transfer to Par-Tee  
8 LLC, there was, I recall, an escrow account that  
9 contained money that was both contributed by ICH and  
10 money contributed by residents, but, as I recall, it  
11 required the signature of an ICH representative as well  
12 as a homeowner's representative for any money to move  
13 out of that account, and, at the time of the transfer  
14 to Par-Tee LLC, we transferred whatever ICH's interest  
15 in that account was to Par-Tee as part of the  
16 transaction. I don't recall the exact balance in the  
17 account at the time. I would say it was around  
18 \$40,000, maybe \$30,000 to \$40,000.  
19 Q. Okay. There has been discussion already about a \$388  
20 per residence amount. To your knowledge, was that an  
21 amount which some of the residents had contributed  
22 toward that fund at the time that the control of the  
23 fund or your interest in the control of the fund was  
24 turned over to Par-Tee?  
25 A. I know that, as of July 31, '98, when we closed the

1 sale to Par-Tee, that some residents had paid into that  
2 account and others had not.

3 Q. Are you aware of any efforts being made to collect  
4 monies from those who had not paid into the account,  
5 from those residents who had not contributed toward  
6 that account?

7 A. To my recollection, there were two simultaneous efforts  
8 going on. One, the homeowners association and  
9 especially those who had paid and the folks who were  
10 running the association were lobbying to try to get the  
11 other residents who hadn't yet paid to go ahead and  
12 pay, because the understanding was that, until the  
13 \$100,000 was raised, the connection couldn't be made.  
14 Everyone was unhappy with the quality of the water.  
15 Everyone wanted to get the project, you know, paid up  
16 and done as quickly as possible. So that was what the  
17 homeowners association was doing separately, to my  
18 recollection, as part of the regular maintenance bills  
19 that the residents got from the ICH Corporation or its  
20 subsidiary that operated the property. There was a  
21 line item on the bill, I believe, for residents who  
22 hadn't paid, you know, identifying that amount.

23 Q. What is the maintenance fee or was the maintenance fee  
24 at Perry Park at that time?

25 A. I don't recall what the exact dollar amount was.

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Basically, each resident was charged an annual fee to defray the costs of maintaining the common areas of the property.

Q. Okay. So that was for things that would be of common benefit to the . . .

A. Correct.

Q. Was there any action taken or were you approached in your capacity as the legal counsel for the company about any plan to deny water service to any Perry Park resident if they did not pay?

A. Absolutely not.

Q. Are you aware of any resident ever being denied water service because he or she or they did not pay the \$388 toward the fund?

A. I'm not aware of any such thing, and, given my position with the company at the time, if that had happened, I think I would have known about it.

Q. Okay. The maintenance fee that you mentioned before, is that in any way connected with receiving water service?

A. No.

Q. Okay. And the \$388 contribution, do you know how that amount was reached?

A. My recollection is that, once we had the \$100,000 number from Carroll County as sort of the bogey that

1 had to get hit in order to make the connection, we then  
2 sat down - I say "we" - I believe it would have been  
3 Michael or Linda Dunn, who, at that time, was operating  
4 the property for ICH, sat down - with representatives  
5 of the homeowners association and worked up an  
6 allocation of the \$100,000, you know, specifically,  
7 that ICH would pay X and the homeowners would pay Y.  
8 Once that gross allocation of the amount that was to be  
9 paid by the homeowners was determined, my understanding  
10 is that the homeowners themselves came up with the per  
11 resident fee and that that number was then communicated  
12 back to the company.

13 Q. Okay. Did ICH actually contribute toward the eventual  
14 \$100,000 amount?

15 A. Yes.

16 Q. Do you have any recollection about the amount of the  
17 contribution?

18 A. My recollection is that, very early on in the process,  
19 ICH deposited between \$14,000 and \$16,000 in that  
20 account with the expectation that, if resident contri-  
21 butions were not sufficient to fill the gap, that the  
22 company might well have to make further contribution to  
23 that account to get the project done.

24 MS. YUNKER:

25 I have no further questions.

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HEARING OFFICER SHAPIRO:

Mr. Woltermann, do you have any questions?

MR. WOLTERMANN:

I'm a little unfamiliar. Do you mark the Exhibits through . . .

HEARING OFFICER SHAPIRO:

Yeah. How many Exhibits do you have?

MR. WOLTERMANN:

We'll probably be working through four or five with different witnesses; probably two with this witness.

HEARING OFFICER SHAPIRO:

Well, why don't we wait until you get ready for the Exhibit, then? We'll just have the Court Reporter mark them for identification, and then you can introduce them afterwards.

REPORTER:

What would you like this one marked as?

MR. WOLTERMANN:

Why don't we mark it as Par-Tee No. 1? That's P-a-r-T-e-e.

HEARING OFFICER SHAPIRO:

Have you given copies to the other parties?

MR. WOLTERMANN:

Sure.

CROSS EXAMINATION

BY MR. WOLTERMANN:

Q. Mr. Bicks, would you look at Par-Tee Exhibit No. 1 and is that the notice that was sent out to the residents of Perry Park with respect to this \$388?

A. This is the only notice that I recall seeing of that amount.

Q. Okay. Now, in this, it says, "Perry Park Resort, Inc." Was that essentially ICH?

A. It was.

Q. Okay. So any time we see "Perry Park Resort, Inc.," that was a wholly-owned subsidiary of ICH?

A. Correct.

Q. And Perry Park Resident Owners Association is the homeowners association at that time for Perry Park?

A. Yes.

Q. It says, "The Property Owners Association (Bob Wesselman and Paul Minch) . . ." Mr. Wesselman was the President of the Property Owners Association at that time?

A. I don't know. I don't recall what Bob's position was. I recall he was certainly acting as their spokesperson.

Q. Position of authority, and, when it says "Property Owners Association," that is Perry Park Resident Owners

1 Association; is that correct?

2 A. That's the way I understand the reference.

3 Q. And also Mr. Minch was associated with that association

4 at that time?

5 A. Apparently so, although I don't believe I met Mr. Minch

6 at the time.

7 Q. Okay. And Mr. Moberg and Jackie Clifton were employees

8 of ICH/Perry Park Resort, Inc.?

9 A. Correct.

10 Q. And this is referring to a joint account that was held

11 in both names of the Perry Park Resort, Inc., and Perry

12 Park Resident Owners Association?

13 A. Yes.

14 Q. And ICH did not have exclusive control over that

15 account; did it?

16 A. It had no control absent the permission of the owners.

17 Q. That's what it says when it's requiring signatures from

18 each group before money can be disbursed; is that

19 correct?

20 A. Yes.

21 Q. Is it also your understanding, if the money was not

22 paid to Carroll County Water District, that the money

23 would be returned or refunded to the people that paid

24 into the fund?

25 A. Correct, including that ICH would get back its portion.

1 Q. That's what that says here, when it says "In the un-  
2 foreseen event that the project is not completed ..."?  
3 A. Yes.  
4 Q. And that is the notice that, as far as you know, was  
5 sent to the residents of Perry Park?  
6 A. Yes.  
7 MR. WOLTERMANN:  
8 I have no further questions of this witness.  
9 HEARING OFFICER SHAPIRO:  
10 Mr. Minch or Mr. Burdette, do you have any  
11 questions of this witness?  
12 MR. BURDETTE:  
13 I have some questions.  
14 HEARING OFFICER SHAPIRO:  
15 Okay. Go ahead, Mr. Burdette.  
16 CROSS EXAMINATION  
17 BY MR. BURDETTE:  
18 Q. I would like to ask, Mr. Bicks, is the water and sewer  
19 plant at Perry Park - are they nonprofit or for profit  
20 operations?  
21 A. At the time ICH owned the property, which would have  
22 been from February of 1997 until July of '98, I don't  
23 recall - I recall that, at the time we took over  
24 ownership, the rate structure, the rates that were  
25 charged for sewer and water, were, I recall,

1 substantially below market. I think we actually made  
2 an emergency application for a rate increase. I know  
3 that, prior to the rate increase, they were certainly  
4 not for profit. In fact, they, I'm sure, lost a  
5 substantial amount of money. Following the rate  
6 increase, I couldn't tell you whether they were still  
7 operating at a loss or whether they were closer to  
8 break even. I don't . . .

9 Q. But then you don't know that they're set up as a profit  
10 operation or a nonprofit operation then?

11 A. I don't know that they are held separately from the  
12 property. Certainly, at the time we owned the  
13 property, they were not, to my knowledge, held  
14 separately.

15 Q. Do you know that ICH - did they file with the Public  
16 Service Commission to make this \$388 assessment to the  
17 property owners? Did they go through the legal process  
18 to do that?

19 A. To my knowledge, the involvement of the Public Service  
20 Commission in determining that \$388 amount or in  
21 ratifying that amount was confined to correspondence  
22 between Curt Moberg, I believe, and the Public Service  
23 Commission.

24 MR. BURDETTE:

25 Could I offer the information, then, . . .

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HEARING OFFICER SHAPIRO:

No.

MR. BURDETTE:

. . . that I got from the Public Service  
Commission's . . .

HEARING OFFICER SHAPIRO:

Mr. Burdette, . . .

MR. BURDETTE:

. . . Complaint Department?

HEARING OFFICER SHAPIRO:

. . . this is the time for you to ask questions.

MR. BURDETTE:

All right.

HEARING OFFICER SHAPIRO:

You'll have an opportunity to make a statement  
later.

MR. BURDETTE:

Okay.

Q. Then Mr. Moberg sent out bills that, in my opinion,  
were not - I guess I shouldn't say that - legal to send  
out, because they did not file with the Public Service  
Commission . . .

HEARING OFFICER SHAPIRO:

Are you asking him . . .

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MR. BURDETTE:

So I'm asking him, again, . . .

HEARING OFFICER SHAPIRO:

. . . if he sent out bills?

MR. BURDETTE:

. . . about the bills that were sent which clearly state "billed to," and my information tells me, you know, that that was illegal. That's part of my complaint.

Q. Now, as far as the \$388 is concerned, that's more than the people on the road had to pay, and can you answer why the people in Perry Park, if they have to pay, why they have to pay more than people out on the highway outside the resort? Do you know why that is?

A. Again, my understanding is that that \$388 number was a division amount that was calculated by the homeowners association once the \$100,000 was broken into an owner's piece and a resident's piece. We didn't make the \$388 calculation, so I couldn't tell you where it comes from.

Q. Well, I have this letter from Bob Wesselman stating that the homeowners association vehemently objects to the charge. So I can't understand that. Maybe you can explain that for me.

A. I don't know the letter that you're referring to. It

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might help me to see it.

Q. Well, I'll be glad to show it to you.

MR. BURDETTE:

If you'll let me show it to him.

HEARING OFFICER SHAPIRO:

Go ahead.

Q. It's addressed to Mr. Arabia.

HEARING OFFICER SHAPIRO:

Let's mark it for identification as . . .

MS. YUNKER:

I'm sorry, sir. May I see it first?

MR. BURDETTE:

Sure.

MS. YUNKER:

Thanks.

MR. BURDETTE:

Pass it down when you get done.

REPORTER:

Mark it as what?

HEARING OFFICER SHAPIRO:

Burdette Exhibit 1.

BURDETTE EXHIBIT 1

HEARING OFFICER SHAPIRO:

Well, let him see the letter and let the  
witness . . .

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MS. YUNKER:

Oh, I'm sorry. I'm sorry.

HEARING OFFICER SHAPIRO:

Let Mr. Burdette ask questions about it. Mr. Burdette, how many other documents like this do you have that you're going to have some questions about?

MR. BURDETTE:

That's the only document I have other than my personal complaint that was filed with the Public Service Commission.

HEARING OFFICER SHAPIRO:

Okay. But, other than this, this is the only document that you have?

MR. BURDETTE:

That's the only document that I have, . . .

HEARING OFFICER SHAPIRO:

Okay.

MR. BURDETTE:

. . . other than . . .

HEARING OFFICER SHAPIRO:

You didn't make copies for the other parties?

MR. BURDETTE:

I thought all parties had copies of that. Apparently not.

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HEARING OFFICER SHAPIRO:

Okay. Why don't we take about five minutes and we'll make a copy of this.

MR. BURDETTE:

All right.

MR. WOLTERMANN:

Your Honor, we have additional copies, if that would help.

HEARING OFFICER SHAPIRO:

How many copies do you have?

MR. WOLTERMANN:

How many copies do we have? We have enough for each party if that would assist.

HEARING OFFICER SHAPIRO:

Okay. Well, we don't have to take five minutes. They've got enough. Mr. Bicks, have you had an opportunity to read the letter?

A. Yes, I have.

HEARING OFFICER SHAPIRO:

Okay. Do you have some questions about the letter that you wanted to ask him?

Q. I just wonder if you had an opportunity to read this before you sent out the assessment for the \$388.

A. I don't know if I personally have ever seen this letter. As I read it, it doesn't surprise me. The

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contents of the letter and the date of the letter are consistent with what I understood to be the position that the homeowners association was initially taking with respect to the project, and, in response to the question that you had asked me when the letter first came up a few minutes ago, having read through the letter, the letter is not a dispute as to the calculation of what this contribution amount is going to be. It's part of a dispute on the larger issue that I recall initially which was why wasn't the company just going to pay for the whole thing themselves.

Q. Back to one more question, if you don't mind, you do not know whether or not the water and sewer companies are a for profit center for the company as is the golf course, restaurant, etc., farming operations? Because, if it . . .

HEARING OFFICER SHAPIRO:  
Well, ask the question.

MR. BURDETTE:  
Okay.

HEARING OFFICER SHAPIRO:  
What is the question? What is it you want to know?

MR. BURDETTE:  
I want to know is that water and sewer plant - are

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they for profit operations or are they nonprofit?  
I mean, water and sewer systems in the State of  
Kentucky usually are nonprofit. If they're a for  
profit operation, then we are subsidizing their  
operation when we shouldn't be. That's my point.  
We paid the water and sewer hookup. Now, we have  
to do it again.

HEARING OFFICER SHAPIRO:

So you're asking him whether or not the water and  
sewer utilities were run by the company for the  
purpose of making a profit?

MR. BURDETTE:

Yes.

HEARING OFFICER SHAPIRO:

Okay. Do you understand the question?

A. I think . . .

HEARING OFFICER SHAPIRO:

Do you have any knowledge about that?

A. I do. I think there are three questions, and I think I  
know the three answers. Number one, as I testified  
earlier, to my knowledge, the utilities, be they water  
or sewer at the property, are not held separately, so  
they're not in any kind of separate corporation.  
Second, your question of whether it is a profit or not  
profit operation, I understand you to be asking were

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they profitable . . .

Q. No.

HEARING OFFICER SHAPIRO:

No. Were they organized for profit?

A. They were not separately organized at all. They were simply part of the existing infrastructure.

HEARING OFFICER SHAPIRO:

But was it run for the purpose of making a profit on the operation?

A. Not to my knowledge. They always operated at a deficit during the time that we owned the property.

HEARING OFFICER SHAPIRO:

Was that the intention initially, or was it the intention for them to produce some sort of profit?

A. The intention of ICH, in February of 1997, when we took over the property?

HEARING OFFICER SHAPIRO:

No. When the - well, I don't know that that . . .

MR. BURDETTE:

Could I comment that . . .

HEARING OFFICER SHAPIRO:

No.

MR. BURDETTE:

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HEARING OFFICER SHAPIRO:

No, you can't. This is the time to ask the -  
first of all, I'm allowing the question, but I  
don't really understand what it is you're trying  
to prove by this question.

MR. BURDETTE:

The \$388 charge by them, being charged twice, and  
if they're a for profit operation and if they make  
a profit off of their water and sewer . . .

HEARING OFFICER SHAPIRO:

Well, the law allows them to make a profit.

MR. BURDETTE:

But I'm asking does it.

HEARING OFFICER SHAPIRO:

Well, I mean, the law allows them to make a  
profit.

MR. BURDETTE:

Okay.

HEARING OFFICER SHAPIRO:

This is not a public institution. It's a private  
utility that they're running. Now, the issue is,  
I mean, because it's a utility, their profits are  
regulated by this Commission . . .

MR. BURDETTE:

Yes.

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HEARING OFFICER SHAPIRO:

Essentially, they're allowed to make a return on their investment. So, when you say that utilities are not organized for profit in Kentucky, that's not necessarily true. I mean, KU is organized for a profit. Kentucky American is organized for a profit. All of these utilities that are investor-owned utilities are organized for a profit. So what is the point of the question?

MR. BURDETTE:

The point of the question is, if they can make a profit, they can also take the loss, and, if I have to support them twice in my contribution to hook up, which is what they want me to do, then I'm supporting their operation, well, illegally, basically because . . .

HEARING OFFICER SHAPIRO:

Well, what you're objecting to is the payment of the \$388 fee; is that correct?

MR. BURDETTE:

Yes, on top of my \$1,500 hookup fee . . .

HEARING OFFICER SHAPIRO:

Okay.

MR. BURDETTE:

. . . and on top of the people on the highway

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charged \$350.

HEARING OFFICER SHAPIRO:

Okay. But what are you trying to get from him . . .

MR. BURDETTE:

I'm trying to get from him . . .

HEARING OFFICER SHAPIRO:

. . . that you can't offer yourself? Let me ask you. What information are you trying to get from him that you don't have yourself, that you can't offer to this Commission yourself?

MR. BURDETTE:

I just want him to admit whether or not it's a profit or nonprofit and whether or not we have to support him in his profitable operation more than one time. I mean, maybe he would like us to do that again and do it three times, you know contribute, whatever it takes. Well, I'll just end this. This is, you know, going nowhere.

HEARING OFFICER SHAPIRO:

Well, yeah, and I'm having trouble following what you're trying to prove. If you want to ask him whether or not it's an organization that has been - whether the utility is being operated to get a return in addition to their operating

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expenses, which would be, in essence, a profit, I think you can ask him that, but I don't know why it's relevant to this proceeding.

MR. BURDETTE:

Well, it is then a profit center, as is their tobacco operation, as is their golf course and their swimming pool, and their restaurant. They don't assess me any fee other than what I pay to go up and eat. Okay? Why . . .

HEARING OFFICER SHAPIRO:

Well, I think we're getting away from what the issue is here. The issue here is whether or not they charged a fee that they were not supposed to charge, . . .

MR. BURDETTE:

That's right.

HEARING OFFICER SHAPIRO:

. . . and, now, the reason they were not supposed to charge the fee was because it's nowhere stated in their filed rates and conditions of service that this fee would be imposed.

MR. BURDETTE:

This is true.

HEARING OFFICER SHAPIRO:

Now, if it had been filed somewhere, then we

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wouldn't be here today, whether or not . . .

MR. BURDETTE:

I agree.

HEARING OFFICER SHAPIRO:

. . . it's a profit-making organization or not.

MR. BURDETTE:

My point was is I don't contribute to their restaurant operation. I don't contribute to any other . . .

HEARING OFFICER SHAPIRO:

Well, this is different from the restaurant operation. This is a regulated operation, and what they're allowed to derive from this operation is set out in law. It's not the same as their unregulated operations. If they're running a restaurant, they can charge whatever they want and they're free to make whatever profit they can get from that operation. It's not the same thing here. There are some restrictions on how much they can make and how much they can charge.

MR. BURDETTE:

That's my point, that they shouldn't be charging that, you know, and, if they can without the Public Service Commission's approval, then it's wrong.

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HEARING OFFICER SHAPIRO:

They've already admitted they did not have approval from the Public Service Commission for this charge. I assume they're going to say that it's a charge that they did not require Public Service Commission approval for. I don't know what they're going to say, but I'm just guessing from the way that the testimony has gone so far, but I don't see how your question deals with that particular issue.

MR. BURDETTE:

Well, I'm just equating one profit center against another, even though this one is regulated by the Public Service Commission.

HEARING OFFICER SHAPIRO:

Well, . . .

MR. BURDETTE:

I would like to just move on with this.

HEARING OFFICER SHAPIRO:

Okay. Have you got anything else? Yeah, let's go to something else.

MR. BURDETTE:

I don't have anything else right now.

HEARING OFFICER SHAPIRO:

Okay. Mr. Minch?

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MR. MINCH:

Yes, I have a couple of questions, please.

CROSS EXAMINATION

BY MR. MINCH:

Q. You have the letter there dated to Jim Arabia stating that the Property Owners Association did not approve of them being responsible for paying that; is that true?

A. I have that letter in front of me.

Q. Do you also have a copy of the Minutes from a special Board meeting that was held on June 28 of 1997 as requested by Mr. Goff a week or so ago? Do you have a copy of that?

A. The Minutes of the Perry Park homeowners association?

Q. Yes.

A. I have never had those Minutes.

MR. MINCH:

Mr. Goff, were you going to make that available or did you not get a copy of this?

HEARING OFFICER SHAPIRO:

Well, just ask him if he has the information.

MR. MINCH:

Okay.

Q. In that particular statement, Mr. Mike Dunn came down to the property owners, and he told them, basically, "It's going to cost \$100,000, and you're going to have

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to pay for it." There is no record in there whatsoever of any agreement that I'm aware of with the PPROA that we supported that. Do you have a record of such an agreement?

A. A record of the PPROA's support of the Carroll . . .

Q. Yes.

A. . . . County water construction project?

Q. No. A record of the PPROA agreeing that we would pay that fee.

A. I am certainly aware of later correspondence between the PPROA and the company including and leading up to this notice that we've already marked as Exhibit 1 that came as the joint notice advising the homeowners that the homeowners association was fully behind the project.

Q. Isn't it true that Mr. Wesselman basically was just trying to make the best he could out of a bad situation and try to put in place a way that the residents could get their money back knowing that ICH was going to bill the \$388 anyway?

A. I don't understand your question.

Q. The decision had already been made, yes or no, by ICH that they would charge the residents \$388?

A. First, at what point in time?

Q. At the time of the letter that you got from Mr.

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Wesselman to Mr. Arabia, June . . .

A. I disagree. I don't know that that determination had been made at all. As I said earlier, to my knowledge, that \$388 number was not set by the company at all.

Q. Actually, it was.

MR. MINCH:

Can we enter in the record the Minutes of that special Board meeting that was held?

HEARING OFFICER SHAPIRO:

Yes, you can, but I don't think this is the time to do it.

MR. MINCH:

Okay. Okay. We won't do that, then. I have one other question, then.

Q. You stated that the \$388 was billed as part of the maintenance fee?

A. No.

Q. This right here doesn't have anything to do with a maintenance fee on it.

A. I don't think you accurately characterized my testimony. I think I said that we billed it with the maintenance fee. My understanding . . .

Q. As a line item on the maintenance fee bill, isn't that what you said?

A. Let me be very clear so there's no misunderstanding.

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Q. Okay.

A. As part of the agreement with the homeowners association to go forward with this project and bring in the water that the residents wanted to have so badly and that we wanted to have part of the project to improve the entire project, we agreed, among other things, not only to make a contribution to the account towards the \$100,000 but also to take care of the administrative functions, like trying to collect the money. So, it is true that, on the bills that the homeowners received for their maintenance fee, there is, I believe, a separate line item that I believe was clearly described as not being a maintenance fee item but tied to the water project.

Q. That's true, but my question is I believe that you're mistaken on which bill that showed up. I believe that showed up on the water bill; not the maintenance fee bill.

A. I'm sorry and you may be absolutely right. I do not recall whether it was on the water bill or the maintenance bill. I do recall that it showed up as a separate line item.

HEARING OFFICER SHAPIRO:

Okay. Mr. Goff, do you have any questions?

1 MR. GOFF:

2           Could I have just a moment?

3                           CROSS EXAMINATION

4 BY MR. GOFF:

5 Q.   Mr. Bicks, I must admit that all of these names do get  
6       me confused sometimes. I understand ICH Corporation,  
7       at the time that we're speaking of, was the owner of  
8       all the facilities there at Glenwood Hall and Perry  
9       Park; is that correct?

10 A.   Yes, and, just to be very clear, we always referred to  
11       it simply as Perry Park. The Glenwood Hall name, I'm  
12       really not clear what the historical root of that is.  
13       We always just referred to the entire property as Perry  
14       Park.

15 Q.   Okay.

16 A.   I believe Glenwood Hall actually may be in reference to  
17       the main house at the park.

18 Q.   All right. I notice that, on a lot of these documents  
19       that's referred to, there's referred to Glenwood Hall  
20       Golf and Country Club. Is that a corporation, a  
21       separate entity, or is it just known as?

22 A.   I think that's really almost a fictitious doing  
23       business as Glenwood Hall Resort and Country Club.

24 Q.   And the Perry Park Resort, Inc., I think you stated  
25       that that was a wholly-owned subsidiary of ICH.

1 A. Right. At the time ICH came out of the bankruptcy and  
2 came to own all of these assets, we put all of these  
3 assets into a newly formed sub called "Perry Park  
4 Resort, Inc."

5 Q. Now, at that time, was there any provisions made for  
6 the different duties or activities that was carried on  
7 by either ICH Corporation or Perry Park Resort, Inc.?

8 A. I'm sorry. I don't understand your question.

9 Q. I mean, obviously, there's a utility involved. There  
10 is a golf and country club. I'm not sure what other  
11 facilities. Was there any provision made for the  
12 separate operation of those? Was it done separately?  
13 Was one person assigned to some operation, another  
14 person to another?

15 A. You mean as between Perry Park Resort, Inc., and ICH  
16 Corporation?

17 Q. Yes, sir.

18 A. No. Perry Park Resort, Inc., was the operating entity.  
19 It had its own employees. The manager at the property  
20 was employed by Perry Park Resort, Inc., as were the  
21 other clerical staff. The maintenance employees were,  
22 to my knowledge, employees of Perry Park Resort, Inc.,  
23 and ICH had, you know, no other involvement other than  
24 through the subsidiary.

25 Q. If I may, I would like to ask you to examine the

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tariffs that were filed by ICH Corporation both for the sewer and the water service.

MR. GOFF:

I would like to mark those as Public Service Commission Exhibit 1.

PSC EXHIBIT 1

Q. Now, if I might, sir, did you prepare these tariffs?

A. I did not.

Q. Okay. That was apparently done by Mr. Hull, who is designated as the Senior Vice President?

A. Right. The papers you've handed me look to be all dated 1991, although I see - well, they seem to be - they span a period from 1991 to 1998, . . .

Q. Yes.

A. . . . but Mr. Hull was an officer of ICH in 1991.

Q. And there also is a sheet which apparently was a revision of it by Mr. Curt Moberg, Vice President. That would be 2nd Revised Sheet No. 1.

A. I see that one.

Q. Okay. Now, the designation that is used is ICH Corporation, and apparently then it was doing business as Glenwood Hall Resort and Country Club also known as Perry Park Resort. Is that your understanding of how this was delineated?

A. In April of 1998, I would not say that that would

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have - it's not completely incorrect. It's also certainly not the way it should have been referred to in April of 1998. It certainly was wholly owned by ICH Corporation.

Q. Okay. The tariff sheet, 2nd Revised Sheet No. 1, dated April 15 of 1998, that contains the charge per customer. Now, there's two of them. Of course, there's the sewer and the water. Both of them are together. There's the sewer tariff and the water service tariff. Are you with me there?

A. Yes, I think so.

Q. Okay. Now, both of those show the rates that the residents or the customers of the utility were being charged for their sewer and their water.

A. Actually, let me stop you because I'm not sure that I'm with you. The copy that I have, the second page is the page dated April 15, 1998.

Q. Yes.

A. The next page after that goes back to 1991. Are we just looking at the page dated 1998?

Q. Yes, sir.

A. Okay.

MS. YUNKER:

This is actually the sewer tariff.

A. Okay, and the water tariff comes later.

1 MS. YUNKER:  
2                   Should he be looking at the water tariff? Should  
3                   he be looking at the water tariff?  
4 MR. GOFF:  
5                   Yes.  
6 MS. YUNKER:  
7                   Okay.  
8 MR. GOFF:  
9                   Yes.  
10 A.           Okay. Fine. I'm with you now. I'm sorry.  
11 Q.           Okay. Now, that contains the tariff for the water  
12           customers and also it contains the tie-in fee; is  
13           that . . .  
14 A.           It appears to be; yes.  
15 Q.           Yeah. Okay. And that does not contain any mention of  
16           the \$388 charge. Whatever it may be, it does not  
17           contain that in the tariff; is that . . .  
18 A.           Right, and, to my understanding of what these tariffs  
19           represent, they would have been separate charges. My  
20           understanding of these tariffs is they would relate to  
21           new construction, you know, because there were a number  
22           of undeveloped lots on the property. To the extent  
23           that a new home was built, I would understand the  
24           figures that are set out here as being the sort of one  
25           time tie-on fee for a new construction site.

1 Q. Okay. Also, referring to the last page of that water  
2 tariff, there is a facsimile water bill attached. Do  
3 you see that, sir?  
4 A. Is it the very last page of what you handed me?  
5 Q. Yes, sir.  
6 A. It says, "Received December 28, 1992, ICH Legal Dept."?  
7 Q. Yes, sir.  
8 A. Okay. I see it.  
9 Q. And that is what appears to be a facsimile water bill  
10 from Glenwood Hall Resort to one of the residents at  
11 Perry Park?  
12 A. From 1992, yes.  
13 Q. Yes, sir. Now, that was what, of course, was filed  
14 with the Public Service Commission. Does that water  
15 bill anywhere reflect any of these charges that we are  
16 concerned with here today?  
17 A. No, but the water bill that we're looking at here is  
18 from 1992, and the agreement with Carroll County wasn't  
19 even reached until late 1997, and I believe the  
20 agreement of the allocation of how to fund the \$100,000  
21 wasn't reached until sometime in very late '97 or early  
22 '98.  
23 Q. All right. This was the bill that was filed with the  
24 PSC. To your knowledge, was that charge or this bill  
25 ever changed to reflect that charge and consequently

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sent to the customers as a water bill?

A. I know that, once the agreement was reached as to how to allocate the payment of the \$100,000, the residents did receive a bill, and, during at least one part of my cross examination, it was brought to my attention that it may have been on the water bill; not the maintenance bill. I don't recall which one. The residents certainly got at least one bill that had a line item that separately denoted this \$388 item. I don't know whether it was the water bill or the maintenance bill or maybe even the sewer bill.

Q. Is the maintenance bill separate and distinct and different from this water bill?

A. To my knowledge, during the time that we were running the property, it certainly was. I know that they were billed separately. Some of the residents paid the maintenance fee in one annual lump sum. Others paid it over 12 months, whereas the water and sewer bills, I believe, were monthly.

Q. Do you have a copy of a maintenance bill that was sent?

A. I don't have one with me. I don't know whether we may have one here.

Q. Do you know how they were styled? Was it "ICH Corporation"? Was it "Perry Park Resort, Inc."?

A. I would be guessing. They should say "Perry Park

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Resort, Inc.," at least starting in mid-1997.

Q. Mr. Bicks, are you saying in your testimony that ICH Corporation, at least the utility part of that, was not collecting this fee as part of its utility billing process or as a fee for its utility services?

A. That is correct. ICH and/or its subsidiary, Perry Park Resort, Inc. - you can effectively think of them as one and the same for this purpose - was collecting the \$388 from residents, as they paid it, as part of an agreement with the homeowners association to try and fill up a \$100,000 fund for the purpose of accomplishing the connection to Carroll County. This was not - just as this memo states, the Exhibit 1, if, for any reason, that project fell through, and I suppose it could have fallen through for a number of reasons, whatever everyone paid into that fund they would have gotten back and the residents would stick with the water system that they had. So I would say the answer to your question is, yes, that was not collected as part of the tariffed water and sewer services.

Q. To your knowledge, in any of the statements, bills, correspondence with the utility water customers, was it ever made clear that it was not part of the water bill; that it was a different, separate charge for whatever

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purposes?

A. I know, as a result of some of the correspondence I've reviewed in the last couple of days, that the correspondence to the residents and back and forth between the homeowners association and the company made very clear that, in essence, this was a sort of joint venture between the company and the homeowners to try and get this \$100,000 scraped up so we could do the connection. In the communications that the homeowners association representatives had with the homeowners, at least one of which I think I've seen, I think they pretty clearly and accurately describe what it was that we and they were trying to do. So, if your question is, you know, could the homeowners have misunderstood the nature of the charge, I guess my answer is I don't think so.

Q. Through your dealings as Executive Vice President and General Counsel of ICH, would you characterize this as an assessment for the property owners or as a charge for water service?

A. I'm not sure I would characterize it as either unless, by "assessment," you mean an assessment that we were undertaking sort of on a clerical basis on behalf of the homeowners association. If that's what you mean, then I would say the answer is, yes, we agreed to

1 collect it, go through the administrative act of  
2 sending out the bills and collecting the checks. I  
3 mean, we would have been just as happy to have the  
4 homeowners collect the money themselves and come to us  
5 with a single check.

6 Q. So, if I'm understanding what you have said correctly,  
7 you're telling the Commission that the only part that  
8 ICH played in this matter as the owner and operator of  
9 the utility was to do clerical work for the homeowners  
10 association?

11 A. No, that would not be correct. The role that ICH  
12 played was first in negotiating the deal with Carroll  
13 County to get them to even agree to come tap into the  
14 water and negotiating with Carroll County the price for  
15 doing that. ICH also obviously contributed its own  
16 cash towards that fund to try and hit the \$100,000  
17 mark. With respect to the homeowners, however, that's  
18 where I would say, you know, ICH/Perry Park Resort,  
19 Inc., was really functioning in an administrative role,  
20 merely collecting from the homeowners the amount which  
21 their appointed representatives had agreed that, on a  
22 per head basis, they would pay.

23 Q. Mr. Bicks, other than the letter that Mr. Burdette  
24 referred you to and you examined, were you ever given  
25 any documentation, by letter or otherwise, that this

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fee was approved by the homeowners association? Maybe I can specify. Were you ever furnished with any documents, any Minutes of any meeting of the homeowners, that said that "We are assessing this, and we wish you to assist us in the collection thereof"?

A. I'm quite sure that we never saw or that I never saw Minutes of a meeting, a certified resolution of the Board. We certainly did rely on the apparent authority of the designated representatives of the association, and I am quite sure that there is some correspondence back and forth between Perry Park Resort, Inc., and the homeowners memorializing the matter. I do not recall, though, ever seeing Board Minutes or a certified Board resolution of the association.

Q. Would something like this be handled through you in New York, or would it be done there at Perry Park by the employees that were managing the property at that time?

A. I would say, to a very large degree, it would be done by the people who are on site, the operating people who would come to me, you know, when they thought it necessary or advisable. Certainly, I had some involvement in this project because the whole Perry Park situation was very unsatisfactory from everyone's perspective at the time that we came to own it in February of '97, and we did want to see how quickly we

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could move to try and resolve it for everybody's benefit.

Q. You may have answered this question or stated it, but I'll refer you to those tariffs that are on file, and they contain all the charges. Why did ICH not think that this charge should be included in its tariff?

A. I guess the answer would be, if the residents and the property owners simply wanted to leave the existing water system in place, they could easily have done that, and the company would have, I guess, continued to collect whatever rates the Public Service Commission had authorized it to collect. The decision to try and hook up to the Carroll County water system was a decision that I recall, at the time we came to own the property, was one that the homeowners were very much in favor of. They were very unhappy with the quality of the well water. We were more than happy to try and expedite that.

HEARING OFFICER SHAPIRO:

Well, the question, though, is - Mr. Bicks, I don't think you're answering the question. The question is why did you feel that you did not have to include that in your filed tariffs.

A. And my answer, Judge, would be this was really in the nature of a voluntary contribution. People either paid

1 it or they didn't pay it. Certainly, plenty of people  
2 didn't pay it. We never took any action with respect  
3 to people who didn't pay it. I don't know what Par-Tee  
4 has done since then. I would be very surprised if  
5 they've taken any action to collect, you know, from  
6 residents who haven't paid, and, certainly, from ICH's  
7 perspective, if it was necessary to pay the whole  
8 \$100,000, if there was a shortfall, we might well have  
9 decided, at some point, and I know Par-Tee later did,  
10 to fill that shortfall ourselves to get the project  
11 done. So I would say we didn't view this as part of  
12 our, you know, fee for service structure. This was  
13 almost a voluntary contribution to try and get a piece  
14 of work done that otherwise wouldn't have happened.

15 Q. Now, in the Par-Tee Exhibit No. 1, which is the Carroll  
16 County Water District Project Notice, do you know when  
17 that particular document was circulated?

18 A. Not precisely. It's generally consistent with my  
19 recollection that it would have been in about February  
20 of '98, which you see is the handwritten date on the  
21 bottom.

22 Q. Prior to that, to your knowledge, did any mention of  
23 the assessment of the fee, the \$388, appear on any  
24 water bill or any other bill that was sent to the  
25 utility customers?

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A. I couldn't honestly tell you when that charge first appeared.

Q. I just have one other question, Mr. Bicks. From all of these documents and, of course, the bills that were sent, they are all styled, apparently, you know, "Glenwood Hall Golf and Country Club," and they're also styled "Perry Park Resort" and "Perry Park, Inc." It seems that it would be maybe confusing to a utility customer to get that and then see that there is even a line charge for a fee of \$388 and not think that that's part of their water bill or water utility service. Do you have anything that would indicate that there was any statement or anything contained in those bills to the utility customers that would indicate that it's not such a charge?

A. I don't have any information that there was anything that came with the bill or as part of the bill or that would have fleshed that out further, but, as I told you before, I do believe that, at the time those bills came out, the residents were very aware of what the charge was. It had been the subject of a lot of discussion, including among the residents themselves in their own meetings. I certainly don't recall any inquiry from anyone saying, "What is this \$388 charge on my bill?"

Q. To your knowledge, was any of this \$388 charge - was

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that ever put in any one of those utilities', either the sewer or the water utility's, Annual Reports?

A. No, absolutely not. Whatever funds came in were deposited right into the escrow account.

Q. And I think you said ICH had no control over that escrow account?

A. We had no ability to - it was a joint escrow between the owner, Perry Park Resort, Inc., and the homeowners association. We couldn't take money out without their approval. They couldn't take money out without our approval.

Q. Did ICH or Perry Park Resort, Inc., maintain separate accounts for its utility companies?

A. I don't recall. Do you mean checking accounts or . . .

Q. Sir?

A. Do you mean checking accounts?

Q. Yes, separate accounts, separate payroll accounts.

A. With respect to payroll, there were no employees who were, you know, designated only as water or sewer employees. There were general employees at the facility who did work on the water and sewer facilities. So there wouldn't have been any separate payroll. I don't believe we maintained a separate checking account for those facilities, but I don't know what other separate accounting there may have been with

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respect to the water and sewer facilities. I do believe there was some.

Q. I was referring to checking accounts, really. I mean, you did have separate accounts on these Annual Reports?

A. I don't believe we had separate checking accounts for them.

Q. Were all of the . . .

MS. YUNKER:

It may assist the Commission that, in the ARF filing, the 97-516 filing, there was a report made by the Commission staff that had investigated then, as it does in such filings, the books and records of the utility and had gone behind just the mere numbers and it could be that that report would contain details about the separation that was or was not maintained operationally.

Q. The employees of the Perry Park Resort, you know, maintenance, did those employees also provide the maintenance of the utility services?

A. Yes, they did.

Q. So they were all one and the same?

A. Pretty much. We also had outsourcing arrangements with at least one or two outside groups that I recall that would come in biweekly or monthly to, you know, monitor the water and sewage operations and, when necessary,

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take corrective action.

Q. Let me ask you, you stated that ICH/Perry Park Resort, Inc., negotiated the agreement with Carroll County Water; is that correct?

A. Yes.

Q. Was the agreement - and I think you said that that involved some easements and a parcel of land. Were those easements - what were they for to be granted?

A. The purpose of the easement would have been to allow Carroll County to get from the road into a tap-in point where they could access the existing infrastructure of whatever mains and laterals, wherever the existing plumbing that was at Perry Park, they were just going to tie into it. So they needed from us an easement to lay a pipe from the road into our system. They also needed, as I said, I think it was 20 by 30 foot or smaller lot to build a pumping station out near the gate to service that connection.

Q. What was to happen then with the mains and the laterals that were in place after Carroll County hooked into those? Was that part of the agreement?

A. I don't understand your question. What would happen to them in what sense? What would be done to them?

Q. Yes.

A. Nothing. They would remain in place and that would

1 continue to be the vehicle for distributing the water.  
2 Q. Would they remain ICH's mains, or would they be Carroll  
3 County's?  
4 A. I'm not sure I have an understanding as to who would  
5 own them.  
6 Q. Who would own them?  
7 A. I'm not sure I have an understanding as to who would  
8 own them.  
9  
10 EXAMINATION  
11 BY HEARING OFFICER SHAPIRO:  
12 Q. Well, let me ask you this. Who is going to furnish the  
13 water to the residents of the subdivision? Was it  
14 going to be Carroll County, or was it going to continue  
15 to be ICH Corporation?  
16 A. My understanding was that it would have been Carroll  
17 County.  
18 Q. They were going to bill the customers?  
19 A. Yes.  
20 Q. You're talking about more than just connecting the two  
21 systems? You're talking about not only connecting the  
22 systems but putting the current customers of the ICH  
23 system into the Carroll County Water District?  
24 A. I guess that's a fair description.  
25 Q. And then ICH would have gotten out of the water  
business?

- 1 A. Yes.
- 2 Q. Has that connection ever been made?
- 3 A. I'm sorry. Has the plumbing connection?
- 4 Q. Yes.
- 5 A. There are probably other people in the courtroom who  
6 could probably speak to that better than I. My  
7 understanding is the project is substantially completed  
8 if not completely completed and may be awaiting a valve  
9 turn or something.
- 10 Q. Okay. So the situation, as it exists now, is the same  
11 as it has always been? In other words, ICH or now Par-  
12 Tee is providing the water service; is that correct?
- 13 A. That's the current situation. It's also my under-  
14 standing that Carroll County has gone in or is now in  
15 the process of laying the pipe in to have the  
16 connection made but that currently the water is still  
17 being supplied as it was when we owned it.
- 18 Q. Now, of course, the last question that Mr. Goff asked  
19 you was who's going to own the water system. At  
20 present, Par-Tee owns the water system; is that right?  
21 They bought it from ICH.
- 22 A. We owned it. We transferred it to them; yes.
- 23 Q. But you negotiated the agreement with Carroll County  
24 Water District?
- 25 A. ICH did; yes.

- 1 Q. Was there anything mentioned in that agreement as to  
2 who would own the water system after the connection was  
3 made?
- 4 A. I don't recall. There may have been. I don't recall.  
5 There is a letter, I recall, from Linda Dunn, who is  
6 working for Perry Park Resort, Inc., to Carroll County.  
7 That's the letter that I recall that best memorializes  
8 the terms of the deal with Carroll County. That letter  
9 may describe who's going to own it afterwards. I just  
10 don't recall.
- 11 Q. Was there any formal contract, or is the contract just  
12 what the parties discussed in an exchange of  
13 correspondence?
- 14 A. I would say as memorialized by that one letter that I  
15 do recall. I would say that's . . .
- 16 Q. So there's no formal contract between ICH and the water  
17 district?
- 18 A. Nothing other than that.
- 19 Q. Was there a formal contract between ICH and the Perry  
20 Park Owners Association?
- 21 A. No written contract, I would say.
- 22 Q. Again, if there's any contract, it was either verbal or  
23 it's memorialized by correspondence?
- 24 A. I would say so.  
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MR. GOFF:

I have no further questions of this witness.

MR. ELDRED:

Your Honor, may I request a brief recess?

HEARING OFFICER SHAPIRO:

Well, I would like to finish this witness first.

MR. ELDRED:

Okay. May I be excused, Your Honor, from the courtroom?

HEARING OFFICER SHAPIRO:

Oh, sure.

MR. ELDRED:

Thank you. Continue. Please continue.

HEARING OFFICER SHAPIRO:

Is there any redirect?

MS. YUNKER:

I have just a little bit, Your Honor.

HEARING OFFICER SHAPIRO:

Okay.

REDIRECT EXAMINATION

BY MS. YUNKER:

Q. Sometimes in being asked questions about the \$388 amount, it has been referred to as a charge. Looking first at the maintenance fee, that is charged to the Perry Park residents. Was that a charge by Perry Park

1           Resort, Inc.?

2   A.    Yes.  That was a charge by the owner of the property.

3   Q.    Okay.  And the money was - or, if it were a check, it

4           was made out to Perry Park and it was deposited into an

5           account controlled solely by Perry Park?

6   A.    Correct, into the general funds of the operating

7           company.

8   Q.    And, if someone did not pay that maintenance fee, did

9           Perry Park have some rights, then, against the person

10          who didn't pay?

11   A.    I think technically, under the original Deed

12          restrictions of the property, if a resident failed to

13          pay their assessed maintenance fees, we had a lien on

14          their lot for the amount of the unpaid fees.

15   Q.    Was there any similar right, whether a lien or

16          otherwise, that Perry Park Resort, Inc., had against a

17          homeowner who did not make the full \$388 contribution?

18   A.    None whatsoever.

19   Q.    Did that money go to Perry Park Resort, Inc.?

20   A.    The \$388?

21   Q.    Right.

22   A.    No.

23   Q.    And, to your knowledge, that amount and the collection

24          of that amount was not enforced by withholding service

25          or denying service to someone who failed to pay the

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amount, to contribute that amount?

A. That is correct. So far as I know, there was no enforcement action of any kind either by the company against the delinquent homeowners or by the association against the homeowners.

Q. And, if the money had not been collected, suppose that no one, the resort owners association and the individual resort owners, just did not want to pay, what is your understanding of what would have happened then?

A. The property owner would have had to make a business decision as to whether to pony up the entire balance of the money themselves or just turn back to the residents whatever money they had contributed and say, you know, "Sorry. Good try."

Q. But, if \$100,000 is not collected, it was your understanding of the agreement with Carroll County that the pipeline and its system would not be available to the Perry Park residents?

A. Correct. They wouldn't do the connection.

Q. Putting aside for the moment the way that the \$100,000 contribution would be made or who would make it, what was your understanding of the desire of the Perry Park residents to either remain on the existing system or to become Carroll County Water District users?

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A. They were extremely anxious to be off of the existing Perry Park system and to be onto the Carroll County system.

Q. Okay. But is it your understanding that there may have been some debate within the homeowners group as to whether or what the homeowners should pay for that?

A. Not to put too fine a point on it, they didn't want to pay for it at all.

Q. Okay. But it's your understanding that eventually the agreement was that ICH/Par-Tee would make a certain contribution, would make an in kind contribution in the form of easements and land and perhaps the system itself, the pipes, the pumping, and then that the residents would make a contribution in the form of cash?

A. Yes.

MS. YUNKER:

I have no further redirect.

HEARING OFFICER SHAPIRO:

Okay. Let me ask Mr. - is it Woltermann?

MR. WOLTERMANN:

Yes, sir.

HEARING OFFICER SHAPIRO:

You had the witness testify about Par-Tee Exhibit 1. Do you wish to introduce that as evidence?

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MR. WOLTERMANN:

Yes, sir, I do.

HEARING OFFICER SHAPIRO:

Is the witness able to identify that document?

MR. WOLTERMANN:

He has identified the document and testified as to it.

HEARING OFFICER SHAPIRO:

Are you familiar with the document?

A. Yes, I've seen this document before.

HEARING OFFICER SHAPIRO:

Well, any objection to its admittance? Okay. So ordered.

PAR-TEE EXHIBIT 1

HEARING OFFICER SHAPIRO:

And, Mr. Goff, you have introduced Public Service Commission Exhibit 1 or you've tendered it. Do you wish to introduce that into the record?

MR. GOFF:

Yes. I will move that . . .

HEARING OFFICER SHAPIRO:

Is that from the . . .

MR. GOFF:

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HEARING OFFICER SHAPIRO:

Is that from the filed tariffs?

MR. GOFF:

Yes, these are the tariffs that are now on file.

HEARING OFFICER SHAPIRO:

Okay. Are you familiar with these tariffs, by the way, Mr. Bicks?

A. I'm sorry?

HEARING OFFICER SHAPIRO:

Are you familiar with these tariffs?

A. I've seen the document that has been marked before.

HEARING OFFICER SHAPIRO:

Okay. And you could identify it, then, as being the . . .

A. Yes.

HEARING OFFICER SHAPIRO:

. . . document that ICH filed?

A. It's a little . . .

HEARING OFFICER SHAPIRO:

You can identify it?

A. . . confusing because parts of it were filed by us, parts of it are much, much older.

HEARING OFFICER SHAPIRO:

But you recognize it and can vouch for it?

A. I do.

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HEARING OFFICER SHAPIRO:

Okay.

PSC EXHIBIT 1

HEARING OFFICER SHAPIRO:

We have one other letter, but that was Mr. Burdette's Exhibit 1, but you've never seen that; is that correct?

A. I don't believe I've ever seen that letter before.

HEARING OFFICER SHAPIRO:

Okay. Can we stipulate that that be made a part of the record in this proceeding, part of the evidence?

MR. WOLTERMANN:

Yes, sir.

MS. YUNKER:

The tariff?

MR. WOLTERMANN:

The letter . . .

HEARING OFFICER SHAPIRO:

Well, Burdette Exhibit 1.

MS. YUNKER:

Oh!

HEARING OFFICER SHAPIRO:

It was a letter that was written by . . .

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MR. WOLTERMANN:

. . . from Mr. Wesselman to Mr. Arabia.

MS. YUNKER:

Okay. Sure.

HEARING OFFICER SHAPIRO:

Okay.

MR. WOLTERMANN:

I have no objection.

HEARING OFFICER SHAPIRO:

Okay. So that will be admitted into the record.

BURDETTE EXHIBIT 1

HEARING OFFICER SHAPIRO:

Okay. Thank you, Mr. Bicks.

A. Thank you, Your Honor.

HEARING OFFICER SHAPIRO:

We'll take five minutes.

OFF THE RECORD

HEARING OFFICER SHAPIRO:

Let's go back on the record. Ms. Yunker, do you have any more witnesses?

MS. YUNKER:

No, Your Honor, we do not.

HEARING OFFICER SHAPIRO:

Okay. Mr. Woltermann?

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MR. WOLTERMANN:

I'll call James W. Berling.

HEARING OFFICER SHAPIRO:

Mr. Berling? Could you spell your name for the Reporter, please?

MR. BERLING:

James W. Berling, B-e-r-l-i-n-g.

WITNESS SWORN

The witness, JAMES W. BERLING, after having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WOLTERMANN:

Q. Jim, state your name and residence address for the record, please?

A. James W. Berling, 3129 Brookwood Drive, Edgewood, Kentucky 41017.

Q. How are you employed?

A. I am self-employed.

Q. Are you a licensed surveyor and licensed civil engineer?

A. I am.

Q. Licensed by the Commonwealth of Kentucky?

A. That's correct.

Q. And how long have you been so licensed?

A. Since 1964.

1 Q. And you have a business known as James W. Berling  
2 Engineering PLLC?  
3 A. That's correct.  
4 Q. And are you a participant in an entity known as Par-Tee  
5 LLC?  
6 A. Yes.  
7 Q. Are you an owner of that entity?  
8 A. I am one of the owners of that entity.  
9 Q. Who are the other owners?  
10 A. Greg Martini and my four sons are all partners.  
11 Q. Okay. On July 31, 1998, did Par-Tee enter into an  
12 asset purchase agreement whereby it purchased the  
13 assets of Perry Park from ICH?  
14 A. Yes.  
15 Q. And was Par-Tee created as an LLC in the Commonwealth  
16 of Kentucky shortly before that in order to acquire  
17 those assets?  
18 A. Yes. It was created for this one venture.  
19 Q. And that would have been in July of 1998?  
20 A. Yes.  
21 Q. Prior to the closing in July, 1998, Par-Tee had nothing  
22 to do with the ownership or the operation of Perry  
23 Park?  
24 A. That's correct.  
25 Q. I'm sure you were familiar with Perry Park, being a

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resident of northern Kentucky, but you had no operational interest prior to the acquisition of the assets?

A. That's correct.

Q. Now, you've heard testimony from Mr. Bicks with respect to the Carroll County Water District and the \$100,000 charge for them to bring water to Perry Park. Were you advised prior to the closing with ICH and the purchase of the assets with respect to the situation with Perry Park and Carroll County Water District?

A. I was advised through a meeting with Curt Moberg, I believe his name was. We visited with him, and I think he was their General Manager at the time, but we visited with him on two or three occasions before we made the purchase, and he did give me the information and told me what was going on with it.

Q. Was it your understanding that Carroll County Water District was going to be hooking up to the existing pump station at Perry Park?

A. My understanding was that they were running a new line on Highway 355 and that, for a fee, they would come in and tie into our system. I think it was \$100,000. They would come in and tie into our system; not immediately at the pump station but on the other end of the system but tie into the infrastructure.

- 1 Q. Now, would that require any change to the infra-  
2 structure at Perry Park?
- 3 A. To the infrastructure of the water system existing at  
4 Perry Park?
- 5 Q. Correct.
- 6 A. They did the engineering on it. We did not. They've  
7 told me that they simply had to hook onto our lines  
8 and, at that point, they would take it over.
- 9 Q. And the intent was Carroll County Water District would,  
10 in fact, take over the water system at Perry Park?
- 11 A. Right.
- 12 Q. To the best of your knowledge, would there be any  
13 necessity for lot owners to tie in or tap in to Carroll  
14 County Water District?
- 15 A. The present residents are tapped to the mains. They  
16 were going to tap to the mains. So there's no new  
17 taps. As new taps came on line, they would then get a  
18 tapping permit or tapping fee from Carroll County. The  
19 ultimate was that we would get out of the water  
20 business.
- 21 Q. And there would be no change to the existing lines  
22 within Perry Park?
- 23 A. No change.
- 24 Q. Did you also have a meeting and conversation subsequent  
25 to the purchase of Perry Park from ICH with a Robert F.

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Wesselman?

A. Yes.

Q. And did he indicate that he was the President of Perry Park Resort owners association?

A. That's correct.

Q. And did you, at that meeting, ask him to detail, in a letter format, his understanding of the Carroll County Water District transaction?

A. Yes, I remember the meeting. They wanted to meet with us. We wanted to meet with them, so, you know, to discuss several items, but, at the meeting, he informed me of how the transaction occurred and what everybody agreed to do, and I asked him if he would put it in the form of a letter, which he did.

MR. WOLTERMANN:

Would you mark that as Par-Tee Exhibit No. 2?

PAR-TEE EXHIBIT 2

Q. Are you familiar with that letter, Mr. Berling?

A. Yes, I am.

Q. Now, that is dated September 3, 1998; is that correct?

A. That's correct.

Q. And that is signed by Robert F. Wesselman, President of the homeowners association; is that correct?

A. Yes.

Q. And that letter was sent to you, as requested,

1 following a meeting held on Saturday, August 29, 1998?  
2 A. Yes.  
3 Q. Now, in that letter, does he not indicate that an  
4 agreement was reached on June 28, 1997, between PPRI  
5 and the homeowners association?  
6 A. Yes.  
7 Q. Does he also refer to a special general meeting of the  
8 homeowners association held on June 28, 1997?  
9 A. Yes.  
10 Q. Now, just for the record, previously, there was a  
11 letter introduced as a part of Mr. Bicks' testimony  
12 from Mr. Wesselman, which I believe has been marked for  
13 an Exhibit, and I believe the date of that letter is  
14 June 16, 1997; is that correct?  
15 A. That's correct.  
16 Q. And that, of course, would be prior to the June 28 date  
17 on which he indicates an agreement was reached; is that  
18 correct?  
19 A. Yes.  
20 Q. He refers to deposits into a trust fund. Is that the  
21 account where the \$388 was to be deposited?  
22 A. Yes.  
23 Q. And you are familiar with that account?  
24 A. Yes.  
25 Q. And he also refers to a check being written out of that

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account and signed by both PPRI and the homeowners association for \$69,000 and payable to Carroll County Water District; is that correct?

A. Yes.

Q. And there was an additional \$31,000 that was paid at that time by Par-Tee; was it not?

A. It was paid by Par-Tee.

Q. And why did Par-Tee pay that \$31,000?

A. It was my understanding that, if the money didn't reach Carroll County Water District by Labor Day of that year, that the deal was going to be pulled back, and we held as long as we could on the contributions and we decided to advance the monies and be reimbursed as it would come into the special account.

Q. Does this letter also indicate how the \$388 was arrived at?

A. Yes, it does.

Q. And is that by dividing the \$100,000 contribution amount by the 258 homeowners in Perry Park who are users?

A. Yes.

Q. Also, it refers to the fact that Par-Tee, in the top of the third paragraph, would continue to administer the trust fund. Is that your understanding of what Par-Tee is continuing to do?

1 A. Yes. Mr. Wesselman wanted to fill me in to the point  
2 that there was some opportunity for reimbursement of  
3 the funds from the people who contributed based on  
4 future building construction, and I was not aware of  
5 that, but I accepted that that was what he - as he  
6 presented it to me and that's why the fund would  
7 continue because we would ultimately give people credit  
8 back on their investment.

9 Q. Now, Par-Tee was not in existence when these agreements  
10 with Carroll County Water District and the homeowners  
11 association were made; is that correct?

12 A. Correct.

13 Q. And were you not, in fact, relying upon the  
14 representations made by Mr. Wesselman with respect to  
15 the agreement with the homeowners association?

16 A. Yes.

17 Q. And, as a direct result of those representations,  
18 didn't Par-Tee pay \$31,000 out of its own pocket to  
19 Carroll County Water District?

20 A. Yes.

21 MR. WOLTERMANN:

22 Mark this as Par-Tee 3 and 4.

23 PAR-TEE EXHIBITS 3 and 4

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EXAMINATION

BY HEARING OFFICER SHAPIRO:

Q. Mr. Berling, while Mr. Woltermann is passing out these, I assume, to be proposed Exhibits, let me just ask you some questions about this letter. I'm confused here. The letter states that there's an understanding that \$388 would be collected from each property owner and the money deposited into an escrow account, which you call, I think, a trust fund here. It's the same thing.

A. Same thing. Same.

Q. And, in addition, there's going to be another \$300 collected from each property owner?

A. No.

Q. That's not right? Where is the \$300 coming from?

A. That's the first time I met Mr. Wesselman and I was trying to find out as much information as I could about this transaction, and he asked me, he said, "Did Curt tell you that there was going to be an opportunity for us to get our money back on that \$388?" I said, "No, I didn't understand that at all." He said, "Well, yeah, the agreement is that, as you build new buildings in here, new structures, or sell lots, or somehow expand the undeveloped area of Perry Park or sell lots, that we would, as the developer, pay them back some of their money or their monies until they would recover their

1           \$388, but it would be limited to ten years at a rate of  
2           \$300 per sale which would be distributed among those  
3           who contributed," and, as he pointed out, since  
4           everybody is required to pay a maintenance fee, it  
5           would probably be an accounting where a certain portion  
6           of that maintenance fee for that year would be reduced  
7           proportionate to how many lots were sold. I had never  
8           heard of that before that meeting, but I took him at  
9           his word that that's the way it was . . .

10       Q.     Now, who is that you were talking to?

11       A.     Mr. Wesselman, who is the President of the homeowners  
12           association.

13       Q.     He's the one who told you that the money would be  
14           refunded or the money would come from . . .

15       A.     He's saying that this account, this escrow account or  
16           trust fund, as you referred to it, would remain active,  
17           and, if we sold five lots in a given year or we had  
18           \$1,500, that \$1,500 would be divided among the 258  
19           participants, and they would get a credit toward their  
20           maintenance fee for a ten year period. After that,  
21           the . . .

22       Q.     Up to \$388?

23       A.     Up to the \$388.

24       Q.     So each additional lot that you sold, after this  
25           agreement, would include within it a \$300 fee that

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would be paid into this escrow account?

A. But the fee is chargeable to me. I mean, it's not a fee that I would levy, "If you buy the lot off of me, then you're going to have to pay another \$300." No, it's . . .

Q. But you would take \$300 out of the purchase price . . .

A. That's right.

Q. . . . and put it into the . . .

A. It would be absorbed by me as the developer . . .

Q. Okay. So, as the . . .

A. . . . and put it into this special account until their monies are paid back or until the ten years runs out, and they told me that was the agreement. I didn't have any further paper on it, but I didn't have any reason to doubt him.

Q. Okay. So, initially, then, each property owner was going to be asked for \$388?

A. Right.

Q. And then, as you sold additional lots, you were going to contribute \$300 into the trust account, which you would use to refund as much of the \$388 as the funds allowed . . .

A. Right.

Q. . . . up to \$388 but for a period of no longer than ten years?

1 A. That's correct.

2 HEARING OFFICER SHAPIRO:

3 Okay.

4 DIRECT EXAMINATION CONTINUED

5 BY MR. WOLTERMANN:

6 Q. I show you what has been marked as Par-Tee Exhibit 3.  
7 Does that represent a check payable to Carroll County  
8 Water District #1, a cashier's check of Star Bank for  
9 \$69,000?

10 A. Yes, it does.

11 Q. And is it your understanding that this \$69,000 came out  
12 of the joint escrow account held jointly in the names  
13 of Perry Park Resort, Inc., and Perry Park Resort  
14 homeowners association?

15 A. That's correct.

16 Q. And, in fact, also on that same page is the withdrawal  
17 slip for that \$69,000; correct?

18 A. That's correct.

19 Q. And, at the top, it's a little blurred and it's chopped  
20 off, but is that not Mr. Wesselman's signature and Mark  
21 Seibert's signature?

22 A. Yes. Yes, it is.

23 Q. And that's the same Mr. Wesselman who sent you the  
24 letter as President of the homeowners association?

25 A. Yes.

- 1 Q. And, on Exhibit 4, is that not a copy of the check from  
2 Par-Tee to Carroll County Water District #1 for \$31,000  
3 and signed by Gregory F. Martini?  
4 A. That's correct.  
5 Q. And that's your partner in Par-Tee; correct?  
6 A. Yes.  
7 Q. And that is for the water escrow project contribution  
8 is the way that check refers to that?  
9 A. Yes.  
10 MR. WOLTERMANN:  
11 I would just like to do that as one Exhibit.  
12 They're just bank accounts.  
13 PAR-TEE EXHIBIT 5  
14 Q. Are you familiar with Exhibit No. 5, the bank account  
15 with Star Bank?  
16 A. Yes.  
17 Q. That's the escrow account we've been referring to?  
18 A. Yes.  
19 Q. And I believe these are quarterly statements running  
20 from January 9, 1998, on the first one here, through  
21 the last page which I believe is 12-22-99.  
22 A. Yes.  
23 Q. Okay. And these are every three months?  
24 A. Right.  
25 Q. And is it shown on each one of these that the account

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is titled in PPRI and PPROA?

A. Yes.

Q. And PPRI is, to the best of your knowledge, Perry Park Resort, Inc.?

A. Yes.

Q. And PPROA is Perry Park Resort Owners Association?

A. Yes.

Q. First deposit January 9, 1998, for \$15,520; is that correct?

A. Yes.

Q. And, on the fourth page, does that reflect a \$69,000 withdrawal in that particular period?

A. Yes.

Q. And that would be September 3, 1998, which is a debit memo to that account; is that correct?

A. Yes.

Q. And that is the same date as the cashier's check payable to Carroll County Water District and previously marked as Par-Tee Exhibit 3; is that correct?

A. Yes.

MR. WOLTERMANN:

Mark this for identification.

PAR-TEE EXHIBIT 6

Q. I'll show you what has been marked as Par-Tee Exhibit No. 6 and ask you if that is a receipt from Carroll

1 County Water District #1 for the payment of \$100,000 as  
2 the contribution to the new extension project.  
3 A. Yes, it is.  
4 Q. And that is the combination of the check for \$69,000  
5 and the check for \$31,000; correct?  
6 A. Yes.  
7 Q. And that is signed by Jim Smith, Manager of the Carroll  
8 County Water District?  
9 A. Yes.  
10 Q. Has Par-Tee at any time attempted to collect the  
11 \$31,000 that they paid on any basis other than as a  
12 contribution to the Carroll County water project?  
13 A. No.  
14 Q. You have not filed suit against anyone?  
15 A. Have not.  
16 Q. No liens have been placed against any property?  
17 A. No liens.  
18 Q. There has been no threat or no turn off of water  
19 services?  
20 A. That's correct.  
21 Q. Has Par-Tee in any way profited from the payment of  
22 this contribution to Carroll County Water District?  
23 A. No.  
24 Q. In fact, you are still substantially in the hole on the  
25 \$31,000 that you paid; correct?

- 1 A. Yes. Yes. Yes.
- 2 Q. And, even if all of the money were paid back to you by  
3 the remaining residents, there would be never a profit  
4 to Par-Tee with respect to this contribution to Carroll  
5 County Water District?
- 6 A. That's correct.
- 7 Q. It's also my understanding that, in addition to the  
8 payment of the \$31,000, Par-Tee will transfer the pump  
9 station, the land on which the pump station sits, all  
10 of the water lines, etc., to Carroll County Water  
11 District without the payment of one dollar to Par-Tee;  
12 is that correct?
- 13 A. That's correct.
- 14 Q. Now, it's my understanding that, in order to transfer,  
15 that it will be necessary to obtain the approval of the  
16 Public Service Commission for Par-Tee to go out of the  
17 water business. Is that your understanding?
- 18 A. Yes.
- 19 Q. And that request has not yet been filed; is that  
20 correct?
- 21 A. Correct.
- 22 Q. And that is a request that must be filed by Par-Tee; is  
23 that your understanding?
- 24 A. Yes.
- 25 Q. Now, there has been some discussion about the quality

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of the water at Perry Park. Does the water at Perry Park meet all state and federal regulations to the best of your knowledge?

A. Yes.

Q. Has Par-Tee put in approximately \$25,000 to improve that water system at Perry Park?

A. That was only one event. We put in quite a bit more than that.

Q. Okay.

A. Closer to \$100,000.

Q. Closer to \$100,000. Since August 1 of 1998?

A. Yes.

Q. Without any change - you haven't been paid any of that money back or you haven't applied for a different rate; have you?

A. That's correct.

Q. Is it your understanding that the majority of the people who reside at Perry Park favor a transfer of the water system to Carroll County Water District?

A. Yes.

MR. WOLTERMANN:

I have no further questions of Mr. Berling.

HEARING OFFICER SHAPIRO:

Ms. Yunker?

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CROSS EXAMINATION

BY MS. YUNKER:

Q. Mr. Berling, you stated that the general idea was that Perry Park would transfer all of its water system assets to Carroll County when the interconnection was made and the Carroll County Water District would come in and provide the water service; is that correct?

A. That's my understanding.

Q. Okay. And that would be done without any payment to Par-Tee?

A. Correct.

Q. Okay. And, at that time, it would be up to - or, when it was ready to be done, it would be Perry Park that would come in and would ask for permission from the Public Service Commission to transfer to the Carroll County Water District?

A. That's my understanding.

Q. Is it time yet to do that? Is the pipeline out there and everything is otherwise ready to go?

A. It's very close. I don't know their operations or their testing or their chlorination or at what phase they are. I do know they have laid a lot of pipe on our property. They are up to the point of connection. At this time, that has not occurred.

Q. Okay. If it were to be, as you may know, the Public

1 Service Commission when it started this case, one of  
2 the things that it wanted to explore was why or why not  
3 all monies collected for the hook on to the Carroll  
4 County Water District's expansion line should not be  
5 refunded. That was one of the questions that the  
6 Commission was asking. Where is that money now, the  
7 \$100,000 now?

8 A. Carroll County Water District has it.

9 Q. And, to your understanding, it has been used to  
10 construct the line to past the Perry Park property?

11 A. Yes.

12 Q. So the money is not available to Perry Park directly to  
13 refund it; is that correct?

14 A. Correct.

15 Q. If it were the decision of the Commission, if you will,  
16 sir, undo that money and that contribution to Carroll  
17 County, will there be a transfer of the system to  
18 Carroll County?

19 A. I don't see how that's possible.

20 Q. Because the money has already been spent by Carroll  
21 County?

22 A. I assume. I mean, I came in after the fact on this  
23 transaction. The agreement was made previous to my  
24 appearing on the scene. You know, I had been there for  
25 one month, and I had a meeting with Mr. Wesselman, and

1 he said, you know, "This has to be done by Labor Day,  
2 and we've got a \$31,000 shortcoming. If we don't get  
3 it down there, it's not going to work." So I said,  
4 "Okay. I'll put it up," knowing that the rest of it  
5 would probably be contributed as it come along. We had  
6 never thought about what would happen if it didn't  
7 occur.

8 Q. Just to be clear on this, is it part of the arrangement  
9 with the Carroll County Water District that Par-Tee  
10 would ever get money back from the \$100,000 that  
11 was . . .

12 A. No, we will get no money.

13 Q. Are you familiar with the trust fund that has been  
14 established or the escrow account, what has been  
15 happening in it recently, any recent activity in that  
16 fund, or should I direct a question about that to  
17 someone else?

18 A. I can just give you some hearsay on it, that I  
19 understand that there were a few more contributions  
20 made after we had put up the \$31,000.

21 Q. Okay. After September, 1998?

22 A. Right. I think some additional monies were paid, I  
23 think probably when they saw the construction going on,  
24 and I think we have received those. Those monies have  
25 been distributed to us to help offset our \$31,000.

1 Q. To your knowledge, was any communication made to the  
2 residents that called forth that money, that is by Par-  
3 Tee or by Perry Park Resort, Inc.? Did you all send  
4 out a bill or call for the money to be paid again?

5 A. At what point?

6 Q. After the \$100,000 was actually paid to Carroll County.

7 A. I think we gave some kind of notice, but I don't think  
8 it was in the form of a billing. I think it . . .

9 MS. YUNKER:

10 Nothing further.

11 HEARING OFFICER SHAPIRO:

12 Okay. Mr. Burdette?

13 CROSS EXAMINATION

14 BY MR. BURDETTE:

15 Q. I would like to ask if Mr. Wesselman related to you  
16 that he had the authority of the majority of the Board  
17 to write this and make this agreement with you. Did he  
18 say that he had the majority of the Board's approval to  
19 do this?

20 A. I had assumed he was speaking as the President.

21 HEARING OFFICER SHAPIRO:

22 Well, the question is did he tell you that he had  
23 the majority of the Board.

24 Q. Did he say he had the Board's backing and he had the  
25 majority of the Board's authority to come into the

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agreement?

A. I believe other Board members were with him. I thought they were. I don't know the particulars. I had no reason to doubt that he had the authority of the Board.

MR. BURDETTE:

Can I say he thought wrong?

HEARING OFFICER SHAPIRO:

No.

MR. BURDETTE:

I didn't think so.

HEARING OFFICER SHAPIRO:

You can testify later.

MR. BURDETTE:

That's all.

MR. MINCH:

I have no questions.

HEARING OFFICER SHAPIRO:

Okay. Mr. Goff?

CROSS EXAMINATION

BY MR. GOFF:

Q. Mr. Berling, you referred to the letter. Let's see. That was Exhibit 2 and in it referred to the letter also of June of '97, which referred to the meeting of June of '97. Do you happen to have a copy of the special Minutes of the homeowners association meeting?

1 A. No.

2 Q. Was that ever furnished to you?

3 A. No.

4 Q. Now, when Par-Tee took over control of Perry Park, did  
5 you set up any type of special or separate accounting  
6 or management for the utility services?

7 A. We have a computer accounting, and our accountant is  
8 very good at what she does, and she'll categorize them,  
9 and, to that extent, we have separate accounting, but  
10 we have no separate checking account or separate set of  
11 books. It's simply identified as an item in the  
12 ledger.

13 Q. Now, reference was made to the \$300, which I think you  
14 stated was separate and distinct from the \$388; is that  
15 correct?

16 A. This was an item that was brought up by Mr. Wesselman  
17 and the other people who attended that meeting on  
18 August 29. It was the first time I had heard about it,  
19 and it was a reimbursement. It was not a charge.

20 Q. But that's different from the \$388 . . .

21 A. Right.

22 Q. . . . fee, charge, assessment, or whatever?

23 A. Right.

24 Q. I think Ms. Burdette, in her statements earlier, made a  
25 reference to a \$1,500 payment. Do you know anything

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about that, what that represents?

A. I heard her reference to the \$1,500. I have no knowledge at all what the \$1,500 is. I know they've been there for many years, and it might have been something that the original developer had. I really don't know what it is.

Q. I take it, then, from your testimony, it's nothing that you are assessing or charging or collecting for in any fashion.

A. I didn't know anything about it at all.

Q. All right. Now, who is Mr. Mark Seibert, I believe is the . . .

A. He's my General Manager.

Q. Your General Manager. I noticed in your Exhibit, Par-Tee No. 6, which is, apparently, the receipt for the \$100,000, it says it's received from Glenwood Hall Resort. Is there any particular reason they use that name rather than . . .

A. I don't know. We probably have four names that are all meaning the same thing here. We have since dropped Glenwood Hall off completely. Now, we are Perry Park and that's it, but there was a lot of confusion there, and I can't tell you why it reads that way, but it's evident that it came from the escrow account and from our subsidy.

- 1 Q. Mr. Berling, are you familiar that, in November, a  
2 statement, apparently, was sent by Mr. Seibert on a  
3 Glenwood Hall Golf and Country Club stationery  
4 requesting payment of the \$388?
- 5 A. Is that in '98?
- 6 Q. Yes, sir.
- 7 A. Someone asked me that before. I do know that there was  
8 something sent out. We didn't look at it as a bill.  
9 It was a notice. We were a collecting agent for those  
10 fees, and I think it was probably a last notice that  
11 "Maybe you forgot to pay it, if you wanted to pay it,"  
12 but it was not a bill that was - we didn't consider it  
13 a bill. We did consider it a notice.
- 14 Q. Do you know how much has been collected since the  
15 \$100,000 has been paid, how much has been collected in  
16 this escrow fund?
- 17 A. I think around \$12,000.
- 18 Q. Twelve thousand, and that remains in that account; is  
19 that basically . . .
- 20 A. I think it was disbursed to us. It was disbursed to us  
21 as a reimbursement.
- 22 Q. Now, "to us," you mean?
- 23 A. It was disbursed to Par-Tee who paid the \$31,000  
24 shortfall.
- 25 Q. Do you have a copy or a contract or a document between

1 ICH or Par-Tee and Carroll County Water for this  
2 service or this construction or this transfer or  
3 anything?  
4 A. I do not.  
5 Q. Do you know if that exists? I think - Mr. Bicks, you  
6 were here - he stated maybe there was a letter or  
7 something. Do you know of anything of that?  
8 A. I don't know. When I came into this in July, that's  
9 why I met with Wesselman and all the rest of them, to  
10 find out where we were and what our position was and  
11 what we needed to be doing, and I have not seen any  
12 documents between - certainly, there's nothing between  
13 Par-Tee and Carroll County. I assume there must have  
14 been something between ICH and Carroll County. We did  
15 meet with them on one occasion. I remember going down  
16 and meeting with Mr. Smith in their office, and they  
17 outlined the whole program, how it was going to work,  
18 and that's when he told us we had to have the money in  
19 by Labor Day because they were doing engineering, and  
20 so on. So we did meet with him, and he told me what he  
21 wanted, what he needed, and we did it.  
22 Q. So you were relying upon these representations from  
23 these other gentlemen to requiring the payment of  
24 \$100,000; is that . . .  
25 A. Right. Well, Mr. Wesselman was with us at the meeting

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with the water district, you know, because he was more knowledgeable than anybody that I had as to what the agreement was. So I think Mark Seibert, myself, Mr. Wesselman, and I think Rhonda went, but we went down just to see, you know, what we had to do.

Q. Let me ask you, back to the \$300, is that a charge - is that a hookup fee to the utilities, . . .

A. No.

Q. . . . or is it a lot charge or just . . .

A. No. No. That's something he suggested that we were paying - that the developer would pay as a reimbursement. It would not be charged to anyone except the developer, and it would be charged when the developer was selling a parcel so that there was new income, but it would be the developer's charge. It's not a charge to be levied against anyone.

Q. And that was to be paid to whom?

A. Back to the escrow account which would accumulate funds which would be credited to the people who contributed the \$388 on an annual basis.

Q. This would be paid back to that trust fund that was set up by Perry Park Resort and the Perry Park homeowners association?

A. Yes.

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MR. GOFF:

I have no further questions of this witness.

Thank you, sir.

HEARING OFFICER SHAPIRO:

Okay. Any recross, Ms. Yunker?

MS. YUNKER:

No.

MR. WOLTERMANN:

We would like to move to introduce . . .

HEARING OFFICER SHAPIRO:

Oh, I'm sorry, Mr. Woltermann.

MR. WOLTERMANN:

. . . Exhibits 2, 3, 4, 5, and 6.

HEARING OFFICER SHAPIRO:

Okay. Any objection? So ordered.

PAR-TEE EXHIBITS 2 THROUGH 6

HEARING OFFICER SHAPIRO:

Okay. Thank you, Mr. Berling.

A. Thank you.

MR. WOLTERMANN:

We don't have any further witnesses, Your Honor.

HEARING OFFICER SHAPIRO:

And you don't have any?

MS. YUNKER:

No. No.

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HEARING OFFICER SHAPIRO:

Do you plan to call any witnesses, either of you?

MR. BURDETTE:

No, sir.

MR. MINCH:

No.

HEARING OFFICER SHAPIRO:

Let's go off the record.

OFF THE RECORD

HEARING OFFICER SHAPIRO:

Okay. Let's go back on the record. Mr. Burdette,  
do you want to make a statement?

MR. BURDETTE:

Can I say whatever I want?

HEARING OFFICER SHAPIRO:

Well, yeah, just answer my question first. Do you  
wish to make a statement?

MR. BURDETTE:

Yes.

HEARING OFFICER SHAPIRO:

Okay. Why don't you come around to the witness  
stand, please?

WITNESS SWORN

1                   The witness, DAVID BURDETTE, after having been  
2 first duly sworn, testified as follows:

3   EXAMINATION

4 BY HEARING OFFICER SHAPIRO:

5 Q.     Let me get you started, Mr. Burdette. Your name is  
6 David Burdette?

7 A.     Yes.

8 Q.     And you're the same David Burdette who entered your  
9 appearance at the beginning of this hearing?

10 A.    Yes, sir.

11 Q.    Mr. Burdette, you have been permitted to intervene in  
12 opposition to the parties in this proceeding; is that  
13 correct?

14 A.    Yes, sir.

15 Q.    And would you like to tell the Commission at this time  
16 what your position is with respect to the issues that  
17 are before the Commission at this hearing?

18 A.    From the beginning, in my opinion, ICH did not file  
19 with the Public Service Commission for the right to  
20 submit a \$388 payment to the residents, and it is a  
21 bill. I have a copy over there that says "billed to."  
22 To me, that means a bill. It's not a contribution. It  
23 says "billed to." So my position was it's a bill.  
24 Secondly, before - and when I got this, I called the  
25 Public Service Commission so that I could clearly

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understand my position. I called Mr. Bob Johnston in the Public Complaints Department, and he told me specifically that ICH did not petition the Public Service Commission to charge this and that the only thing that Mr. Moberg, the then Manager of ICH, asked was to be able to cut off the water of anyone who did not pay it, and he told me he told him absolutely not. Okay. That's where my position starts from and that's why my complaint was filed, because 250, etc., residents were being charged this fee and they should not have been charged it. It wasn't legal, in my opinion. He did refer to me that, if I wanted to pay it as a contribution, that I could to enhance the quality of my drinking water so that Carroll County would get their \$100,000 and bring us good water. So that's where that went. Now, I would like to refer to Mr. Wesselman's letter and this escrow account. If someone can show me where the Board of Directors of the PPROA approved this and his ability to do this, I would like to see it because it doesn't exist. He only has one vote within a legal organization that we have. He went out on his own and did that basically without Board approval. As far as I'm concerned, it doesn't exist as far as the Board is concerned. That's about it.

1 Q. Okay.

2 A. My complaint has my whole story in it. If anyone reads  
3 the complaint, it's all there.

4 Q. Well, Mr. Burdette, let me ask you if you wish to make  
5 the complaint that you filed a part of your testimony.

6 A. I couldn't hear you, sir.

7 Q. Do you wish to incorporate the complaint that you filed  
8 as a part of your testimony?

9 A. Yes.

10 Q. And you adopt and avow everything that's in that  
11 complaint?

12 A. To the best of my ability, yes, it's all true as I see  
13 it.

14 HEARING OFFICER SHAPIRO:

15 Okay.

16 MR. WOLTERMANN:

17 Is this the letter dated May 6, 1998, to Mr. Bob  
18 Johnston?

19 A. Yes.

20 MS. YUNKER:

21 It's 1999.

22 MR. WOLTERMANN:

23 I mean - I'm sorry - May 6, 1999.

24 HEARING OFFICER SHAPIRO:

25 Okay. Which order were we going in? Was it . . .

1 MR. WOLTERMANN:  
2 Do you want me to ask?  
3 MS. YUNKER:  
4 If you would like.  
5 HEARING OFFICER SHAPIRO:  
6 Okay. Mr. Woltermann?  
7 CROSS EXAMINATION  
8 BY MR. WOLTERMANN:  
9 Q. Mr. Burdette, are you indicating that the Board of  
10 Directors rejected this at a meeting, or are you just  
11 saying that you don't have Minutes, one way or the  
12 other?  
13 A. I've been to all the Board meetings, and, as to my best  
14 recollection, and Paul Minch now being the President of  
15 the association now, we have no record that I can come  
16 up with that he had the authority of the Board to go  
17 out and make this statement.  
18 Q. That wasn't quite my question. Did you find any  
19 Minutes . . .  
20 A. No.  
21 Q. . . . in which this deal with Carroll County Water was  
22 rejected by the homeowners association, a Board vote  
23 rejecting this payment?  
24 A. There was no Board approval.  
25 Q. No. That isn't my question. Was there ever a Board

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action that you have been able to find rejecting the arrangement with Carroll County Water?

A. Well, I guess what you're referring to is Mr. Wesselman's letter which we did approve of, okay, which does reject this.

Q. No.

A. No? Well, I'm sorry.

Q. I'm asking you, you're referring to Minutes of your Board of Directors, and you reviewed those Minutes of the Board of Directors of the homeowners association, and you indicated you did not find anywhere in there an authorization for Mr. Wesselman to do what he apparently has done; correct?

A. That's correct; uh-huh.

Q. Okay. Now, did you find anything in those Minutes specifically rejecting what he did?

A. I think those are - don't we have those?

HEARING OFFICER SHAPIRO:

Well, do you recall?

A. Well, I think I have that on hand over there.

Q. Please?

A. I think I have a copy of that, . . .

Q. Well, can you bring it forward?

A. . . . if it's what I think you want. Wesselman's letter to Jim Arabia is . . .

1 Q. That's all you have?  
2 A. That's all I have with me.  
3 Q. Okay. And you haven't seen anything else other than  
4 that letter to Mr. Arabia?  
5 A. As of right now, I can't place it.  
6 Q. You recognize and acknowledge that, on that notice to  
7 the residents, that PPROA was also included in that  
8 notice and the check was to be sent to a joint account  
9 with PPROA?  
10 A. That was an afterthought after we seen that it was  
11 going to go ahead over our objection.  
12 Q. And you recognize and acknowledge that PPROA was on the  
13 checking account with Perry Park Resort, Inc., and that  
14 was a joint escrow account?  
15 A. I know that happened but not with my approval.  
16 Q. Were you on the Board of Directors at that time?  
17 A. Yes, sir, I am now . . .  
18 Q. No.  
19 A. . . . and was then.  
20 Q. Were you at that time?  
21 A. I sure was.  
22 Q. And you're aware that Mr. Wesselman had opened up that  
23 account?  
24 A. Yes.  
25 Q. And, if it wasn't with your authority, why didn't you

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remove Mr. Wesselman as President?

A. Well, you can't just remove him by yourself. It takes Board approval.

Q. So, apparently, you didn't have enough votes to make that happen?

A. We chose not to do that. He was scheduled to leave the Board anyway.

Q. Okay. And you acknowledge that PPROA and Perry Park Resort, Inc., did receive payments from residents and deposited it to this special escrow account?

A. The only money that I know that was collected is the \$388. I don't know . . .

Q. Correct.

A. . . . about any money collected for the escrow account.

Q. Well, that's the money that went into the escrow account; isn't it?

A. Oh, you're referring to the \$388 escrow account?

Q. Yes.

A. Yes, I know of that.

Q. And you acknowledge that \$69,000 was paid out of that account payable to Carroll County Water District?

A. I did not sign off on that. I don't know the exact amounts that were paid by either party.

Q. Did you pay your \$388?

A. No, sir.

- 1 Q. Okay.
- 2 A. On the advice of Bob Johnston, the Public Service  
3 Commission Complaint Department, no.
- 4 Q. Have you been sued?
- 5 A. No.
- 6 Q. Water turned off?
- 7 A. No, I wasn't worried about that because Bob Johnston  
8 told me that it would not be.
- 9 Q. Okay. No liens been filed against your real estate?
- 10 A. No liens that I know of.
- 11 Q. You'll be benefited if the hookup occurs; will you not?
- 12 A. Oh, yes.
- 13 Q. And you consider it a benefit to have Carroll County  
14 water brought into Perry Park; don't you?
- 15 A. Oh, yes.
- 16 Q. And, if the Commission were to require the repayment of  
17 this money to the residents and the hookup with Carroll  
18 County Water District did not happen, how would you  
19 feel about that?
- 20 A. Repeat that again.
- 21 Q. If the \$100,000 was required by the PSC to be returned  
22 to those paying it in and, because of that, the hookup  
23 with Carroll County Water District does not occur, how  
24 will you feel about that?
- 25 A. That statement is not feasible.

1 Q. Why not?  
2 A. Because the system is in place. They're not going to  
3 dig it all up. However, if it requires that I pay my  
4 \$388 for them to go ahead and make that final  
5 connection, there's no problem. If the Public Service  
6 Commission tells me to pay it, I'll pay it.  
7 Q. Okay.  
8 A. That's my opinion.  
9 Q. So it's not a matter of you paying the \$388. You want  
10 to pay the \$388 to get Carroll County water into your  
11 system; don't you?  
12 A. But only if it's legal.  
13 Q. But only if it's legal?  
14 A. That's right.

15 MR. WOLTERMANN:  
16 I have no further questions.

17 CROSS EXAMINATION

18 BY MS. YUNKER:  
19 Q. Mr. Burdette, I have a few questions . . .  
20 A. Sure.  
21 Q. . . just to figure out the timing here. I have in  
22 front of me a copy of the May 6, 1999, letter that you  
23 wrote to Mr. Johnston. In it, it refers to a - you  
24 state that a former President of the homeowners  
25 association, and now I' quoting, ". . . was in

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possession of the letter I needed where we registered our disagreement with the assessment." Is that letter the June 17, 1997, letter that we've seen a copy of now?

A. It's the letter to Mr. Arabia.

Q. Okay. And you said that you wrote this letter to Mr. Johnston soon after you had complained to him about the \$388 amount; is that correct?

A. I can't remember specifically. It has been a while.

Q. Do you remember when you first complained to him?

A. Yes. It was a short period of time before I wrote that.

Q. Okay. So this would have been sometime in the early spring maybe of 1999?

A. The best I can recall.

Q. And, by that time, of course, the money had already been paid over to Carroll County Water?

A. No.

Q. In the spring of 1999?

A. I don't think so.

Q. Okay. Well, the evidence has been, sir, that it was paid over in September, 1998. I can show you something that has been brought into evidence.

A. Well, it still doesn't make it right and legal, in my opinion.

- 1 Q. I understand that, but is it - you were a member of the  
2 Board, then, is that correct, in 1998?
- 3 A. Yes, I am.
- 4 Q. Okay. So you're fairly certain you were aware at the  
5 time that the money was being paid from that account?
- 6 A. I'm sure that I was.
- 7 Q. It's not just that you didn't pay the bill that you  
8 received in the spring of 1999; that's what you were  
9 reacting to when you called Mr. Johnston at the PSC?
- 10 A. The only reason I called Mr. Johnston was to get the  
11 legality of paying the \$388 and then after he advised  
12 me that I or any resident did not legally owe it  
13 because it was not petitioned to the Public Service  
14 Commission and that the only statement that was made to  
15 them was by Curt Moberg that they wished to turn off  
16 anyone's water that didn't pay it. That was all of the  
17 statement made by ICH to the Public Service Commission.  
18 That's what he told me and, going on that advice, I  
19 took it upon myself to petition the Public Service  
20 Commission to get these people's money back . . .
- 21 Q. Okay.
- 22 A. . . . because they didn't owe it.
- 23 Q. So it wouldn't be getting your money back because you  
24 never paid it?
- 25 A. I never paid it and I will get no money back if it was

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to come back.

Q. And what you wanted was not so much that the \$100,000 be taken back from Carroll County because you want the Carroll County water?

A. Absolutely.

Q. It's that you wanted someone else to pay for it, ICH and Par-Tee?

A. Well, it's their profit center, as I tried to reiterate before. It's their business. It's a business of theirs, and it's their responsibility. As far as I'm concerned, the \$1,500 that I paid to ICH for water and sewer hookup is quite sufficient, as far as that goes, and it's their responsibility. Having received any profits from that or losses, it's theirs. It's not mine. I'm not subsidizing their system.

Q. Without paying the \$388, you've been receiving water service; is that correct?

A. For what it's worth, yeah.

Q. All along?

A. Most of the time.

Q. Okay. And do you have any understanding about how your water service from Perry Park would change if you paid the \$388, if you contributed that amount?

A. Only in that, if Carroll County comes in, our quality of water will be greatly improved.

1 Q. But, as you understand it, they're going to come in  
2 even if you don't pay the \$388; is that correct?  
3 A. Now that the \$100,000 has been paid, that's correct.  
4 Q. Okay. So paying the \$388 has nothing to do with the  
5 water service that you've had in the past or that  
6 you'll get in the future?  
7 A. The \$388 had nothing to do with the water in the past.  
8 Q. Okay.  
9 A. They did ask that we pay the \$388 so we could get the  
10 water of the future from Carroll County. Okay?  
11 Q. But you'll get the water from Carroll County, it's your  
12 understanding, if the linkage is made, even though you  
13 didn't pay the \$388?  
14 A. Absolutely.  
15 MS. YUNKER:  
16 Okay. Thank you very much.  
17 HEARING OFFICER SHAPIRO:  
18 Mr. Minch, do you have any questions of Mr.  
19 Burdette?  
20 MR. MINCH:  
21 No, sir.  
22 HEARING OFFICER SHAPIRO:  
23 Mr. Goff?  
24 MR. GOFF:  
25 Yes, sir.

CROSS EXAMINATION

1  
2 BY MR. GOFF:

3 Q. Mr. Burdette, as a member of the homeowners  
4 association, you are or were on the Board?

5 A. Was and am.

6 Q. Okay. Does the homeowners association have bylaws?

7 A. Yes, we do.

8 Q. Do those bylaws set out how meetings are conducted?

9 A. Yes.

10 Q. Does it call for an annual meeting of the homeowners?

11 A. Yes.

12 Q. And special meetings?

13 A. Can be.

14 Q. All right.

15 A. Uh-huh.

16 Q. If some action is taken either at an annual meeting or  
17 a special meeting, is there any notification to the  
18 members of what occurred?

19 A. Are you talking about the general population or the  
20 Board members?

21 Q. Well, let me ask you this. Are all of the homeowners  
22 members of the homeowners association?

23 A. Yes, they are.

24 Q. By reason of being property owners there?

25 A. Yes, sir.

1 Q. All right. Are those people notified of actions taken  
2 by the Board?  
3 A. Yes, they are. We send out a quarterly paper that  
4 reviews all pertinent actions that has been taken in  
5 that quarter.  
6 Q. All right. Do you send out any notice of special  
7 meetings, what has occurred at those special meetings  
8 that would be called?  
9 A. I can't recall a special paper being mailed out. I  
10 can't say that there hasn't been, but I don't recall  
11 that.  
12 Q. Now, the bylaws, does that require a vote of the  
13 members of the association?  
14 A. Yes. If there's something to be voted on, we have nine  
15 Board members. We have to have five Board members to  
16 have a legal meeting, and we can vote on whatever  
17 action that is before the Board with five or any above  
18 that, and it has to be a majority of the Board members  
19 vote to make it legal.  
20 Q. Do the general members get to vote on any . . .  
21 A. No.  
22 Q. It's done by the Board?  
23 A. Yes, sir.  
24 Q. Now, the letter that has been introduced refers to a  
25 meeting or a special meeting of June 28, 1997. Are you

1           aware of that meeting?

2   A.   Right now I can't place which meeting you're referring

3       to.

4   Q.   Do you have a copy of any Minutes of a meeting of June

5       28, 1997?

6   A.   I do not have in my possession the copies of the Board

7       meetings.  Those are held by the Secretary.

8   Q.   Okay.  Were you ever furnished a copy of that meeting?

9   A.   I don't recall that.

10  Q.   Now, you referred to the statement or bill that you got

11       for the \$388; is that . . .

12  A.   Yes, sir.

13  Q.   All right.  Let me ask you, is this a copy of that

14       bill?

15  A.   Yes, sir.  This is the bill from ICH and their past due

16       statement.  To me, it's a bill because it says "billed

17       to" and gives you terms.

18  Q.   All right.  There is a statement dated 12-18-97; is

19       that correct?

20  A.   Yes, sir.

21  Q.   And there is another one dated 1-27-98?

22  A.   Yes, sir.

23  Q.   Is this a true and correct copy of the statements that

24       you received?

25  A.   Yes, sir.

1 Q. Would you make that part of your testimony here today?

2 A. Yes, sir. This was received by me, well, from ICH.

3 They're the ones that billed it.

4 Q. Okay. And that refers to Glenwood Hall Golf and  
5 Country Club, Perry Park Resort, Inc., and Perry Park  
6 Resident Owners Association and down at the bottom it  
7 has Perry Park Resort, Inc.; is that correct?

8 A. Yes, sir.

9 Q. All right.

10 MR. GOFF:

11 Since he has made that part of his testimony, we  
12 might want to reference that as Burdette Exhibit  
13 No. . . .

14 HEARING OFFICER SHAPIRO:

15 Well, it would be PSC Staff Exhibit 2.

16 MR. GOFF:

17 Okay. PSC Exhibit . . .

18 HEARING OFFICER SHAPIRO:

19 Two.

20 MR. GOFF:

21 . . . No. 2.

22 HEARING OFFICER SHAPIRO:

23 Is there any objection?

24 MR. WOLTERMANN:

25 No objection.

1 HEARING OFFICER SHAPIRO:

2 So ordered.

3 PSC EXHIBIT 2

4 Q. Mr. Burdette, to your knowledge, was there any other  
5 Board meetings or votes that you had knowledge of  
6 concerning the agreement with Carroll County to hook up  
7 or not to hook up or anything of that nature?

8 A. If there was a Board meeting at which we approved of  
9 paying the \$388 and contributing as a group, I would  
10 have remembered it, and I wouldn't be here right now.  
11 Most people paid this as a way to be sure they got  
12 Carroll County water.

13 Q. I understand, but you don't have any copies of those  
14 meetings or records of the meetings themselves? Is  
15 that . . .

16 A. Not in my possession. We have a statement for every  
17 Board meeting we've had, and they're in the file. I  
18 cannot bring up the whole file or know which month or  
19 whatever anybody wants, sir. I don't have it.

20 Q. The \$1,500 that you referred to, you said you had paid  
21 that for water and sewer hookup. That's something you  
22 had paid previously or recently?

23 A. Previously but not too previous . . .

24 Q. Okay.

25 A. . . . as my house wasn't very old. Every resident in

1 Perry Park, Glenwood Hall, whatever you want to call  
2 it, every resident in their trailer, homeowner,  
3 condominium owner has paid a hookup fee for water and  
4 sewer, in some cases only water because they don't have  
5 sewer.

6 Q. And you paid \$1,500 for both of those?

7 A. That, to the best of my recollection, is what we paid  
8 ICH for the hookup to their water and to their sewer  
9 system.

10 Q. Okay. Do you own more than one lot or residence?

11 A. No, sir.

12 Q. Just one?

13 A. One lot.

14 Q. Okay. Mr. Burdette, was it a common occurrence for  
15 everybody to refer to, I guess, the community as  
16 Glenwood Hall? Was that how everybody referred to it?

17 A. Yes, sir. It has been called Glenwood Hall Resort for  
18 probably, if I had to guess, 20 years. It started out  
19 as Perry Park Resort in the beginning. It went to  
20 Glenwood Hall Resort, and, as Par-Tee has taken over,  
21 they've changed it to Perry Park Country Club or  
22 whatever.

23 Q. The residents, they still refer to it as Glenwood Hall?

24 A. A lot of people do.

25 Q. The quarterly report I think you referred to as it

1           being reported in, is that something that is mailed to  
2           the residents or is it broadside or is it a newspaper  
3           or . . . .  
4   A.       It's a newsletter that's sent to all property owners in  
5           good standing with the PPROA.  
6   Q.       Okay. To your recollection, sir, in those newsletters,  
7           was there any reference made to this issue of what  
8           we're talking about today, the \$300 charge or the  
9           hookup to Carroll County water?  
10   A.       To be specific, I can't recall.  
11   MR. GOFF:  
12                    Okay. That's all the questions I have. Thank  
13                    you.  
14   HEARING OFFICER SHAPIRO:  
15                    Thank you, Mr. Burdette. Mr. Minch, . . . .  
16   MR. MINCH:  
17                    Yes, sir.  
18   HEARING OFFICER SHAPIRO:  
19                    . . . do you want to come around?  
20   MR. WOLTERMANN:  
21                    We would like to just have a question or two of  
22                    Mr. Burdette on recross.  
23   HEARING OFFICER SHAPIRO:  
24                    Well, it would have to be something that . . . .  
25

1 MR. WOLTERMANN:  
2 I just want to read in what is obviously stated in  
3 this statement as far as the homeowners  
4 association.  
5 HEARING OFFICER SHAPIRO:  
6 What it says? I mean, won't it speak for itself?  
7 MR. WOLTERMANN:  
8 That's fine.  
9 HEARING OFFICER SHAPIRO:  
10 Mr. Minch, do you want to come around, please?  
11 MR. ELDRED:  
12 One question.  
13 MS. YUNKER:  
14 Sorry.  
15 HEARING OFFICER SHAPIRO:  
16 What were you going to ask him? Well, wait a  
17 minute. I mean, again, it has got to be limited  
18 to . . .  
19 MS. YUNKER:  
20 Sure. I understand.  
21 HEARING OFFICER SHAPIRO:  
22 Okay. Come back, then, Mr. Burdette.  
23  
24  
25





1 that. That was my opposition to being billed for it.  
2 In regard to being not like Mr. Burdette, I did go  
3 ahead and pay the \$388 because there were rumors going  
4 around that "Your water would be cut off," or that  
5 "Your service would not be continued," or that "Liens  
6 would be placed against your property." Now, I do  
7 admit that those were only rumors, but they had an  
8 effect on me. So I went ahead and I did pay, and I  
9 also have been a member of the PPROA Board for a number  
10 of years, and, to my recollection, I don't know of any  
11 meeting whatsoever where we voted to approve and give  
12 our full support to them billing the residents for  
13 this. Yes, the residents of Perry Park were, in large  
14 number, in favor of having Carroll County water. They  
15 did not want ICH to continue providing water, and I  
16 believe that that was an undercurrent in why the  
17 \$69,000 was collected. There was no vote of the Board  
18 approving it. There was no vote of the Board to  
19 disapprove it. My perspective on the thing was that  
20 Mike Dunn and some other members of ICH decided, "Yes,  
21 we are going to do this, and, yes, you are going to pay  
22 for it," and that was it. So that being stated or that  
23 being the feeling of many of the people there,  
24 including myself, many of us went on and paid, and Mr.  
25 Wesselman, we saw what he was doing, was trying to come

1 up with a way that we might, at sometime in the future,  
2 recoup that investment that we were making. Okay. Mr.  
3 Wesselman's letter to Jim Arabia clearly stated that we  
4 did not approve of them billing us, that we thought  
5 they should pay it, yet, at the same time, if we were  
6 going to have to pay it, then we would like to have  
7 some mechanism in place that somewhere in the future we  
8 might be able to recoup that cost and that's the reason  
9 for - another reason, something that hasn't come up, is  
10 the reason there was a joint bank account was because  
11 there was so much distrust among the residents of Perry  
12 Park with ICH, knowing they were in bankruptcy, knowing  
13 that they had done things of that nature before, that  
14 the money might get lost. That's why there was a joint  
15 account set up and that's why it took a signature from  
16 the PPROA as well as ICH to move any of the monies,  
17 and, for the record, I do have a copy of the Minutes of  
18 the special meeting that was held on June 28, 1997,  
19 should anyone like to have a copy of that. In fact, I  
20 would like to enter that in for the Public Service  
21 Commission's record.

22 Q. You just have one copy?

23 A. I have copies for everyone, sir.

24 Q. Why don't you give everybody a copy?  
25

1 HEARING OFFICER SHAPIRO:

2 We'll mark it for identification as Minch Exhibit  
3 1.

4 MINCH EXHIBIT 1

5 A. Does anybody else need one? If you want to focus in on  
6 the main part of that which discusses Carroll County,  
7 it is on Page 2, and it is the report that Mr. Mike  
8 Dunn gave that meeting of the property owners.

9 Q. And you want to introduce this into the record as part  
10 of your testimony; is that correct?

11 A. Yes, sir.

12 HEARING OFFICER SHAPIRO:

13 Is there any objection?

14 MR. WOLTERMANN:

15 No objection.

16 HEARING OFFICER SHAPIRO:

17 So ordered.

18 MINCH EXHIBIT 1

19 Q. Do you have anything else, Mr. Minch, that you want  
20 to . . .

21 A. I would just like to summarize that, in my opinion as a  
22 resident, it appeared that the greatest benefit of this  
23 connection with Carroll County was to ICH. It got them  
24 out of the water business. It got them out of a  
25 responsibility to fix up a poorly maintained plant, and

1 he even admitted what he figured the cost would be for  
2 doing that. ICH is the one who wanted out of the water  
3 business. The residents wanted them out of the water  
4 business and that's why, if there was any agreement at  
5 all, that was the basis that it was made on, and we  
6 felt that it was their responsibility to pay the  
7 \$100,000.

8 HEARING OFFICER SHAPIRO:

9 Mr. Woltermann?

10 CROSS EXAMINATION

11 BY MR. WOLTERMANN:

12 Q. Do you know who the Secretary was of that meeting?

13 HEARING OFFICER SHAPIRO:

14 It says "Linda Dunn" in the Minutes themselves.

15 MR. WOLTERMANN:

16 Linda Dunn was the Secretary of ICH.

17 HEARING OFFICER SHAPIRO:

18 Oh, I'm sorry.

19 A. I don't remember. I could find out, but I do not  
20 remember.

21 Q. You didn't prepare these Minutes?

22 A. No, sir.

23 Q. Were you present at the meeting?

24 A. Yes, sir.

25 Q. You recognize that, if ICH were to put \$200,000 into

1 improvements of the water plant, that that would  
2 eventually be reflected in adjusted water rates after  
3 approval or review by the PSC?  
4 A. Of course, I understand that; yes.  
5 Q. So there's no free rides, typically?  
6 A. Typically, yes, I understand.  
7 Q. And you're asking this Commission to return the  
8 \$100,000 that has been paid to Carroll County Water  
9 District. Would you ask that the Commission return  
10 this \$100,000 if it would mean that there would be no  
11 hookup to Carroll County Water District?  
12 A. For me personally, no, I would not.  
13 Q. No, you would not what?  
14 A. I would not ask them to return the \$100,000.  
15 Q. Okay. And you are the intervening party in this action  
16 and . . .  
17 A. Only on behalf of myself.  
18 Q. I understand that and what you're saying in your  
19 testimony is that, if the return of the \$100,000 meant  
20 that Carroll County Water District would not come to  
21 Perry Park, then you would withdraw your objection?  
22 A. For me personally, yes, sir.  
23 MR. WOLTERMANN:  
24 Okay. No other questions.  
25

1 MS. YUNKER:

2 Nothing, Your Honor.

3 MR. GOFF:

4 I have no questions of the witness.

5 HEARING OFFICER SHAPIRO:

6 Thank you. Mr. Burdette?

7 MR. BURDETTE:

8 No.

9 HEARING OFFICER SHAPIRO:

10 Thank you, Mr. Minch. Let's go off the record a  
11 minute.

12 OFF THE RECORD

13 HEARING OFFICER SHAPIRO:

14 In an off the record discussion, it was agreed  
15 that the parties would make closing arguments and  
16 would also have the right to file briefs. The  
17 briefs will be due in 20 days from the filing of  
18 the transcript in this proceeding. We'll start  
19 the closing statements by Mr. David Burdette.

20 MR. BURDETTE:

21 I would just like to say, and I'm going to be  
22 repetitive somewhat, but we wouldn't be here had not I  
23 felt that what they did, being advised by Mr. Johnston  
24 of the Complaint Department of the Public Service  
25 Commission, that they were billing illegally. That's

1           why I filed the complaint.  If the Public Service  
2           Commission finds that I should pay the \$388, there's  
3           not a problem at all with paying it.  I don't think  
4           there's a problem with any of the other residents  
5           paying it if it's deemed that they should, but, on  
6           advice from Mr. Johnston, I proceeded with my  
7           complaint.  Now, here we all are, and I do not believe  
8           this should have been necessary because ICH should have  
9           paid it like they should have paid it and however this  
10          turns out it's fine with me.  I'll pay it, but I would  
11          like to see everybody get their money back.  I'm not  
12          interested in fines and I'm not interested in folks  
13          getting interest.  If they get their money back, I feel  
14          like that that would be satisfactory, but that's not  
15          for me to say.  That's all I have to say.

16       HEARING OFFICER SHAPIRO:

17                Thank you.  Mr. Minch?

18       MR. MINCH:

19                I have no closing comments, sir.

20       HEARING OFFICER SHAPIRO:

21                Okay.  Mr. Woltermann?

22       MR. WOLTERMANN:

23                Very quickly.  This is not regulation of a rate.  This  
24                is not a rate.  This is a contribution to Carroll  
25                County Water District's expansion project.  The facts

1 are abundantly clear. It's an escrow account. It's a  
2 joint account with the owners association, joint  
3 signatures, joint billing. ICH facilitated the escrow  
4 account by providing the billing and the accounting.  
5 It also provided there would be a refund in the event  
6 that sufficient funds were not paid into the account.  
7 This is in no way a rate being charged by either ICH or  
8 by Par-Tee to the homeowners and therefore is outside  
9 of the regulatory purview of the PSC and therefore  
10 approval was not required. From a practical  
11 standpoint, we are really elevating form over  
12 substance. There is not one person in this room that  
13 has any objection to the final result of Carroll County  
14 Water District taking over the water services at Perry  
15 Park in exchange for the payment of \$100,000, and,  
16 clearly, over, at this point, 80 percent of the  
17 \$100,000 has been raised by voluntary contributions  
18 from the citizens of Perry Park, an absolute  
19 overwhelming number when you think about contributions  
20 without any force being brought to bear on the issues,  
21 and it's clearly an indication that the residents and  
22 all the people here want Carroll County water to come  
23 there, and they are happy to have paid the \$388, as Mr.  
24 Minch and Mr. Burdette have even indicated, in order  
25 for them to take over the water system. That's all I

1           have. Thank you.

2 HEARING OFFICER SHAPIRO:

3           Okay. Ms. Yunker?

4 MS. YUNKER:

5           The Commission's tariff requirement is that a utility  
6           have on file a schedule showing all rates and  
7           conditions collected or enforced for service. The \$388  
8           contribution that was made by some but not all Perry  
9           Park residents was not for service, for water service.  
10          The evidence has been quite clear that it was neither  
11          as a condition for continuing to receive service nor  
12          was it for service that had been received. This amount  
13          was in the nature of an improvement that was desired by  
14          all to the property. There may have been some  
15          dissension within the Perry Park Resort owners  
16          association as to whether and at what level the  
17          residents would contribute but that is not a PSC matter  
18          nor will it be a PSC matter to order Mr. Burdette to  
19          pay the \$388, because it is not a utility charge or a  
20          charge for utility service, and so it is not within the  
21          authority of the PSC to order it be collected or order  
22          it not to be collected.

23 HEARING OFFICER SHAPIRO:

24           Well, that should conclude the hearing. As stated  
25           earlier, you will have an opportunity, if you wish, to

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file a written memorandum in support of your position,  
and, after the time for filing the written memorandum  
has expired, the matter will be taken up by the  
Commission itself. I am not a Commissioner. I'm the  
Hearing Examiner for the Commission. The Commission  
consists of three members who are appointed by the  
Governor, and they will decide the case. There being  
nothing further, this hearing is adjourned.

FURTHER THE WITNESSES SAITH NOT  
HEARING ADJOURNED  
OFF THE RECORD

1 STATE OF KENTUCKY  
2 COUNTY OF FRANKLIN

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I, Connie Sewell, the undersigned Notary Public, in and for the State of Kentucky at Large, do hereby certify the foregoing transcript is a complete and accurate transcript, to the best of my ability, of the hearing taken down by me in this matter, as styled on the first page of this transcript; that said hearing was first taken down by me in shorthand and mechanically recorded and later transcribed under my supervision; that the witnesses were first duly sworn before testifying.

My commission will expire November 19, 2001.

Given under my hand at Frankfort, Kentucky, this the 28th day of March, 2000.

Connie Sewell  
Connie Sewell, Notary Public  
State of Kentucky at Large  
1705 South Benson Road  
Frankfort, Kentucky 40601  
Phone: (502) 875-4272



**Paul E. Patton, Governor**

**Ronald B. McCloud, Secretary  
Public Protection and  
Regulation Cabinet**

**Martin J. Huelsmann  
Executive Director  
Public Service Commission**

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**B. J. Helton  
Chairman**

**Edward J. Holmes  
Vice Chairman**

**Gary W. Gillis  
Commissioner**

**CERTIFICATE OF SERVICE**

RE: Case No. 99-210  
ICH CORPORATION/PERRY PARK RESORT/PAR-TEE LLC

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on July 11, 2000.

Parties of Record:

See Attached List.

  
Secretary of the Commission

SB/hv  
Enclosure



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Mr. Paul D. Minch  
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Perry Park, KY 40363

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A )  
GLENWOOD HALL RESORT AND )  
COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE, LLC )  
D/B/A PERRY PARK RESORT )

CASE NO. 99-210

\_\_\_\_\_)  
ALLEGED VIOLATION OF )  
KRS 278.020(4) AND (5), KRS 278.160, )  
AND COMMISSION REGULATIONS )  
807 KAR 5:011, SECTION 2, AND )  
807 KAR 5:011, SECTION 11 )

O R D E R

On May 24, 1999, a show cause Order was issued to ICH Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") and Par-Tee LLC d/b/a Perry Park Resort ("Par-Tee"), alleging that each had violated KRS 278.020 and KRS 278.160. The Commission was advised by an ICH customer that ICH, and later Par-Tee, charged their customers an untariffed charge to hook onto a new line extension to the Carroll County Water District ("CCWD"). Because of procedural errors in its service, the May 24, 1999 Order was vacated and reincorporated verbatim in an Order entered July 2, 1999. The Commission directed ICH and Par-tee to show cause

why they should not be penalized pursuant to KRS 278.990(1) for the alleged violations of KRS 278.020(4) and (5), KRS 278.160,<sup>1</sup> and 807 KAR 5:011, Sections 2 and 11.<sup>2</sup>

On July 21, 1999, Commission Staff held an informal conference with the parties named in the Order. As a result of that conference an agreement was reached settling the issue of the unauthorized transfer of the utility. Subsequent to the conference, Paul D. Minch and David Burdette, two customers of the parties, were permitted to intervene in the proceeding. Thereafter all the parties, including the intervenors, signed the settlement agreement. In an Order dated January 26, 2000, the Commission approved the settlement agreement.

On March 14, 2000, a hearing was held before the Commission's hearing examiner on the issue involving the \$388 connection charge. All parties appeared. ICH and Par-Tee were represented by counsel, and the intervenors appeared on their own behalf.

In February 1997, ICH emerged from bankruptcy with the Perry Park real estate as one of its assets. Perry Park Resort Inc. is a wholly owned subsidiary of ICH and was formed to manage the Perry Park assets. It is unclear whether the Perry Park assets were transferred to the new corporation. However, shortly after February 1997,

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<sup>1</sup> KRS 278.160 provides that each utility shall file with the Commission schedules showing all rates and conditions of service and that no utility may charge for its services any amounts other than those in its filed tariff.

<sup>2</sup> 807 KAR 5:011, Section 2, provides that each utility under the Commission's jurisdiction is to file a tariff of all its rates, charges and tolls. 807 KAR 5:011, Section 11, requires any company acquiring ownership or control of a utility to use the rates, classifications and regulations of the former operating company unless otherwise authorized by the Commission and to file an adoption notice with the Commission at the time of the change of ownership or control making its own all rates, etc. of the former operating company.

the utility plant was extensively damaged by flood. That event together with problems with the water supply prompted ICH and CCWD to enter into negotiations to have CCWD take over the Perry Park system. CCWD was in the planning stage of a new water main near the Resort property and it was agreed that, for the sum of \$100,000, CCWD would construct a connection to Perry Park Resort.

The tariff filed by ICH lists the name of the utility as "ICH Corporation, d/b/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort of Perry Park, Kentucky." There is also a Perry Park Resort, Inc. ("Perry Park Resort") which is a wholly owned subsidiary of ICH. Perry Park Resort was the operating entity for the property and ICH. Another entity in this conglomerate of names is the Perry Park Resident Owners Association ("PPROA"). Par-Tee also operates both the utility and the resort under the name of Par-Tee LLC d/b/a Perry Park Resort.

The Perry Park water system established by ICH and now owned by Par-Tee is a public utility subject to the jurisdiction of the Commission. In accordance with KRS 278.160, Par-Tee is required to file with the Commission schedules of its rates and conditions of service, commonly referred to as "tariffs." Public utilities may not impose charges that are not prescribed in their tariffs and the Commission may require them to refund any such charges that are collected. The show cause Order issued on May 24, 1999 and reissued on July 2, 1999 was based on a preliminary determination that the \$388 connection charge that each homeowner was assessed was a "rate" that should have been included in the utility's tariff.

The intervening homeowners also contend that the assessment was a "rate" within the meaning of the statute. They reject any contention that there was an

agreement with Perry Park Resort, Inc. which was binding upon the homeowners and obligated them to pay the assessment. The intervenors maintain that the operators of the water system should refund the assessments collected and should be further required to pay the entire \$100,000 to complete the connection.

Both ICH and Par-Tee contend that the fee collection efforts were not actions by the regulated utility and did not compensate for services rendered by a utility and, therefore, that the Commission has no jurisdiction to order any refund.

The threshold issue in this proceeding is whether the \$388 assessment was a rate that the utility was required to file in its tariff. KRS 278.010(12) defines a "rate" as follows:

"Rate" means any individual or joint fare, toll, charge, rental, or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement, or privilege in any way relating to such fare, toll, charge, rental, or other compensation, and any schedule or tariff or part of a schedule or tariff thereof.

As defined by this section, a "rate" is a charge for services rendered or to be rendered. It is the price charged by a utility as compensation for a service that it has agreed to render.

#### DISCUSSION

John Bicks, Executive Vice President and General Counsel for ICH, testified at the public hearing that shortly after February of 1997, ICH entered into discussions with CCWD about the possibility of connecting Perry Park to the CCWD system. Bicks further testified that it was agreed that, in return for a payment of \$100,000, grants of

easements and a parcel of land for a pumping station, CCWD would tap into the present Perry Park system from the new distribution line.<sup>3</sup>

As to the collection efforts, Bicks stated that there were two simultaneous efforts ongoing, and that ICH or its operating subsidiary (Perry Park Resort) was placing the fee amount on the regular maintenance bills. Bicks further testified that the homeowner associations and "folks who were running the association" were lobbying to get residents to pay.<sup>4</sup> Bicks denied any effort by ICH to deny water service to any resident and denied any connection between the fee and water service.<sup>5</sup>

Bicks explained in his testimony the processes of determining who would pay, and how much would be collected:

My recollection is that, once we had the \$100,000 number from Carroll County as sort of the bogey that had to get hit in order to make the connection, we then sat down-I say "we"- I believe it would have been Michael or Linda Dunn, who, at that time, was operating the property for ICH, sat down- with representatives of the homeowners association and worked up an allocation of the \$100,000, you know, specifically that ICH would pay X and the Homeowners would pay Y. Once that gross allocation of the amount that was to be paid by the homeowners was determined, my understanding is that the homeowners themselves came up with the per resident fee and that number was then communicated back to the company.

(Transcript of Evidence ("T.E."), Bicks at 32-24).

Several documents entered into evidence shed more light upon the fee collection efforts of ICH and Par-Tee. The first document was a letter dated June 16, 1997 from

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<sup>3</sup> T. E., Hearing March 14, 2000, at 19-20.

<sup>4</sup> T. E. at 22.

<sup>5</sup> T. E. at 23, 128.

Robert F. Wesselman, President of the PPROA, in which issue is taken to the decision of ICH to require the homeowners to absorb the entire \$100,000 cost of the CCWD fee.<sup>6</sup> This letter describes a meeting between Dunn and three members of the board of directors of the PPROA held on June 11, 1997 and also protests the decision of ICH to have the homeowners pay the entire \$100,000. This appears to be the meeting referred to by Bicks in his testimony. The second document represents the minutes of a special meeting of the PPROA of June 28, 1997, in which there is an agreement between the ICH and PPROA that each metered owner/user would pay a fee toward the hookup.<sup>7</sup> Under the agreement, the company also agreed to administer the collection, which apparently meant mailing out the notices and depositing the collected funds in an escrow account. The escrow account, opened under the agreement, was a joint account in the names of Perry Park Resort Inc. and Perry Park Homeowners Association. The joint signatures of representatives from both the company and the homeowners association were required to withdraw funds deposited in the account. The next exhibit is two bills or invoices dated December 18, 1997 and January 27, 1998, both in the amount of \$388 and described as an invoice for Perry Park Resort, Inc. and PPROA for "contribution" to the CCWD escrow account.<sup>8</sup> Neither of these documents resemble the form water bill contained in the utility tariff. The next document

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<sup>6</sup> T. E. at 109-110 (Burdette Exhibit 1).

<sup>7</sup> T.E. at 129-130 (Minch Exhibit 1).

<sup>8</sup> T.E. at 120-121 (PSC Exhibit 2).

is a letter from Robert Wesselman to Jim Bering outlining the agreement for distribution of the trust funds.<sup>9</sup>

Regardless of the name used to describe the fee, if it is a charge or other compensation for utility service, it is subject to Commission jurisdiction and subject to refund if illegally collected.

The Commission finds that there is no evidence that there was a willful violation of KRS 278.160 on the part of the utility. There is no evidence that ICH, acting as a water utility, collected any of the \$388 for the hook-up fee for the CCWD project. Even more crucially, the \$388 connection charge was not assessed for a utility service that ICH or Par-Tee had agreed to provide or was obligated to provide. Customers were not required to pay the assessment to continue to receive water service and there was no threat to them that service would be discontinued if they failed to pay. Therefore, the assessment was not a rate that the utility was required to file as part of its tariff and the Commission cannot compel its refund.

Accordingly, the Commission, being sufficiently advised, HEREBY ORDERS that this case is dismissed and removed from the Commission's docket.

Done at Frankfort, Kentucky, this 11th day of July, 2000.

By the Commission

ATTEST:

  
Executive Director

---

<sup>9</sup> T.E. at 80 (Par-Tee Exhibit 2).

**ADAMS, STEPNER, WOLTERMANN & DUSING,  
P.L.L.C.**

*Attorneys and Counselors at Law*

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April 28, 2000

Martin J. Huelsmann, Esq.  
Executive Director  
**PUBLIC SERVICE COMMISSION**  
211 Soward Boulevard  
P. O. Box 615  
Frankfort, KY 40602-0615

RECEIVED  
MAY - 4 2000  
PUBLIC SERVICE  
COMMISSION

**RE: PUBLIC SERVICE COMMISSION CASE NO. 99-210**

Dear Mr. Huelsmann:

It was recently brought to my attention that the Commission's On-line Docket Report for the above-referenced proceeding included the following notation:

**04/11/00      DAVID BURCHETT - COPIES OF BILLS, &  
PAID CHECKS**

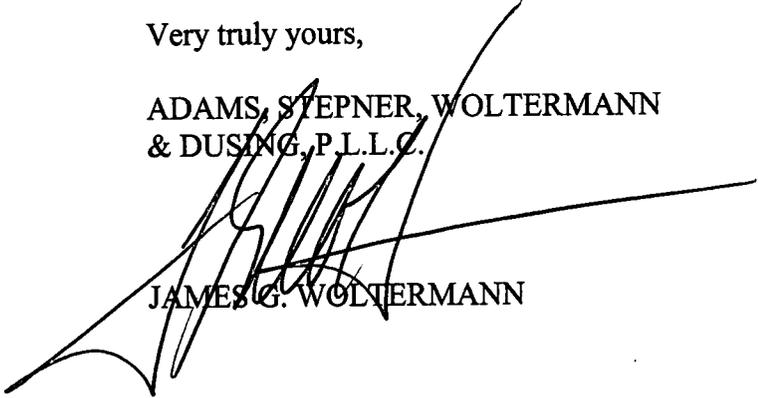
The documents that this notation refers to have not been served on any representative of Par-Tee, LLC ("Par-Tee"), a party to the proceeding and they were not introduced at the March 14, 2000, hearing before Hearing Officer Shapiro. As a result, Par-Tee has had no notice and no opportunity to examine Mr. Burdette about them. ICH Corporation ("ICH"), also a party to this proceeding, notified you of its objection on due process grounds to the admission and consideration by the Commission of the above-referenced materials. Par-Tee supports and reiterates ICH's expression of concern that this filing may represent an attempt by Intervenor, David Burdette to supplement the record of the March 14, 2000 hearing. Accordingly, Par-Tee objects on due process grounds to the use or introduction of the above referenced documents or information by the Commission in adjudicating the issues remaining in this proceeding.

Martin J. Huelsmann, Esq.  
April 28, 2000  
Page Two

Enclosed please find twelve (12) additional copies of this letter for use by the Commission or staff. Thank you for your attention to this matter.

Very truly yours,

ADAMS, STEPNER, WOLTERMANN  
& DUSING, P.L.L.C.



JAMES G. WOLTERMANN

JGW:saw  
Enclosures

cc: J. R. Goff  
David Burdett  
Paul Minch  
Marshall P. Eldred  
Katherine Yunker

47358

YUNKER & ASSOCIATES

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April 26, 2000

RECEIVED  
MAY - 1 2000  
PUBLIC SERVICE  
COMMISSION

Martin Huelsmann, Executive Director  
Public Service Commission  
211 Soward Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Re: Case No. 99-210

Dear Mr. Huelsmann:

When I recently reviewed the Commission's on-line docket report (<http://www.psc.state.ky.us/agencies/psc/reports/doc11r.htm>) for the above-referenced proceeding, I noticed the following notation:

04/11/00 DAVID BURCHETT-COPIES OF BILLS, & PAID CHECKS

Materials of the indicated nature have not been served on any representative of ICH Corporation ("ICH"), a party to the proceeding. ICH is concerned that this filing may represent an attempt by Intervenor David Burdette to supplement the record after the hearing held on March 14, 2000, and wanted the Commission to be aware that it had not been served with these materials. In addition, ICH notes that it had no notice of these documents (or other information that Mr. Burdette may have provided) and no opportunity to examine Mr. Burdette about them at the hearing. It therefore would be inappropriate on due-process grounds for such documents or information to be considered in the Commission's adjudication of the issues remaining in this proceeding.

I have enclosed twelve (12) additional copies of this letter, in case they are needed for staff or Commission members. Thank you for your attention to this matter.

Sincerely,

  
Katherine K. Yunker

Enclosures

cc: J.R. Goff, Esq.  
Mr. David A. Burdette  
Mr. Paul Dean Minch  
Marshall P. Eldred, Jr., Esq.  
James G. Woltermann, Esq.

*Has been removed.  
SH  
5/3/00*

**ADAMS, STEPNER, WOLTERMANN & DUSING,  
P.L.L.C.**

*Attorneys and Counselors at Law*

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April 12, 2000

Martin Huelsman, Esq.  
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RECEIVED  
APR 17 2000  
PUBLIC SERVICE  
COMMISSION

**RE: ICH CORPORATION A/K/A GLENWOOD HALL RESORT AND COUNTRY  
CLUB A/K/A PERRY PARK RESORT AND PAR-TEE, LLC D/B/A PERRY PARK  
RESORT  
CASE NO. 99-210**

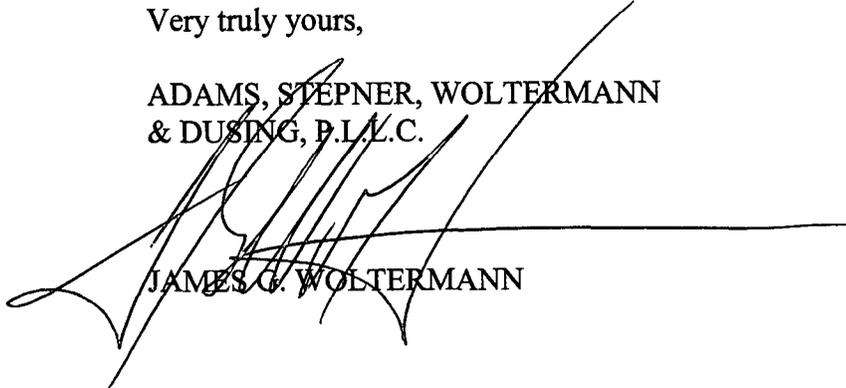
Dear Marty:

Enclosed please find the Brief for Par-Tee, LLC for filing with the Public Service Commission. I have enclosed a copy for the Hearing Officer, Paul Shapiro as well as a copy for J. R. Goff, Attorney for the Public Service Commission. Also, enclosed is an extra copy to file stamp and return to our office in the enclosed, postage-prepaid envelope.

Thank you for your attention to the above.

Very truly yours,

ADAMS, STEPNER, WOLTERMANN  
& DUSING, P.L.L.C.

  
JAMES G. WOLTERMANN

JGW:saw

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION

RECEIVED  
APR 17 2000  
PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF :  
ICH CORPORATION A/K/A GLENWOOD HALL  
RESORT AND COUNTRY CLUB A/K/A PERRY  
PARK RESORT AND PAR-TEE, LLC D/B/A  
PERRY PARK RESORT

---

ALLEGED VIOLATION OF KRS 278.020 (4),  
KRS 278.020 (5), KRS 278.160 AND COMMISSION  
REGULATIONS 807 KAR 5:011, SECTION 2,  
AND 807 KAR 5:011, SECTION 11

CASE NO. 99-210

BRIEF FOR PAR-TEE, LLC

STATEMENT OF FACTS

In 1997, ICH Corporation ("ICH") negotiated an opportunity for residents of Perry Park Resort and ICH's business operations at Perry Park to connect to the Carroll County Water District ("CCWD"). (Direct Examination of John Bicks, P. 57). The terms required a One Hundred Thousand Dollar (\$100,000.00) payment and the granting of property and easements in return for an opportunity to connect to and receive service from the CCWD. ICH notified the residents of this opportunity. Originally, residents were opposed to contributing to this project. However, as revealed in the Minutes of the Perry Park Resort Owners' Association's ("PPROA") Special Meeting held on June 28, 1997, ICH and the PPROA reached an agreement on how to

fund the cost for connection to CCWD. Those minutes indicate that the terms of the agreement, as insisted upon by the PPROA, included payment of a certain sum of money by each owner for every meter owned (including those by ICH), and that all paying individuals would receive a credit of some sort, as new construction lots were sold. The per meter contribution was determined to be Three Hundred Eighty-eight Dollars (\$388.00) ("Connection Contribution"). The terms of the credit were to be worked out at a later date. (Minch Exhibit 1 and Par-Tee Exhibit 2). Pursuant to this agreement, Connection Contributions were collected by ICH from voluntarily paying residents until it transferred Perry Park Resort to Par-Tee, LLC ("Par-Tee") on July 31, 1998<sup>1</sup>.

After ICH and the PPROA reached the agreement, ICH posted notices that payment of the Connection Contribution were due. The notice requested payment to be made in the name of the PPROA and Perry Park Resort, Inc. ("PPRI" is a wholly-owned subsidiary of the tariff-license holder, ICH). That notice clearly names Bob Wesselman and Paul Minch (an intervenor in this case) as representatives of the PPROA and indicates that the collection is being coordinated with them. It states that payment of the fee was to be made to PPRI and PPROA. The notice also provides that if the One Hundred Thousand Dollars (\$100,000.00) were not collected, all money paid would be refunded. (Par-Tee Exhibit 1). Other notices were sent to residents with various maintenance or water bills. While the bill portion of the invoice states "bill to", a separate portion of the document **plainly and clearly** states "PERRY PARK RESORT, INC. and PERRY PARK RESORT OWNERS' ASSOCIATION INVOICE FOR:

---

<sup>1</sup> This transfer resulted in charges of improper transfer of a utility without prior Public Service Commission approval pursuant to KRS 278.020(4) and (5) and 807 KAR 5:011 Section 11, against Par-Tee and ICH. Those charges were settled and the transfer of water and sewer utilities from ICH to Par-Tee were approved in Public Service Commission Order dated January 26, 2000, in Case No. 99-210. A copy of this Order is attached. The only remaining issues to be determined are the alleged violations of KRS 278.160 and 807 KAR 5:011, Section 2.

PROPERTY OWNER'S PRORATA CONTRIBUTION TO ESCROW ACCOUNT FOR CARROLL COUNTY WATER DISTRICT PARTICIPATION." (Public Service Commission Exhibit 2). Par-Tee sent one such notice of this sort after it acquired Perry Park Resort. (Cross Examination Testimony of Jim Berling, p. 100). All other notices were sent by ICH.

The PPROA and PPRI set up a joint account at Star Bank (later Firststar) ("Account") to deposit all Connection Contributions collected. (Par-Tee Exhibit 5). The Account required signatures from the PPRI and PPROA for withdrawal. ICH, and Par-Tee when ICH's interest in this account was transferred to them, could not withdraw money from the Account without approval of the PPROA. The act of collecting the Connection Contributions was an administrative act done by ICH and Par-Tee on behalf of the PPROA. (Cross Examination Testimony of John Bicks, p. 62). No Connection Contribution funds were collected as part of the utility billing process or as a fee for any utility services rendered. (Cross Examination Testimony of John Bicks, p. 55). ICH and Par-Tee did not use money collected for the connection contribution for any purpose other than deposit in the Account and eventual transfer to CCWD. No Connection Contribution funds collected were ever used by the water utility operated by ICH or Par-Tee. ICH and Par-Tee have never taken any actions to interrupt water services, threaten to shut off water services, file liens against residents, or coerce residents in any way for not paying the Connection Contribution. (Testimony of Jim Berling, p. 90).

The Account had approximately Sixty Nine Thousand Dollars (\$69,000.00) when ICH transferred its interest in it to Par-Tee as part of an Asset Purchase Agreement dated July 31, 1998. The Sixty Nine Thousand Dollars (\$69,000.00) consisted entirely of voluntary contributions. On September 3, 1998, one month after purchasing ICH's interest in Perry Park Resort, Par-Tee and the PPROA, through its President, Bob Wesselman, transferred Sixty Nine Thousand Dollars (\$69,000.00) from the Account to CCWD for the project. (Par-Tee Exhibit 3).

Par-Tee then contributed Thirty One Thousand Dollars (\$31,000.00) of its own funds to reach the One Hundred Thousand Dollar (\$100,000.00) requirement to construct and connect to the CCWD water line. (Par-Tee Exhibit 4). Since the September 3, 1998 transfer of money to CCWD, approximately Twelve Thousand Dollars (\$12,000.00) of voluntary contributions have been paid by residents. Par-Tee has retained that money as reimbursement for the Thirty-one Thousand Dollars (\$31,000.00) it contributed to the CCWD project, pursuant to the agreement it inherited from ICH with the PPROA. (Testimony of Jim Berling, p. 100).

The agreement is specifically outlined in a September 3, 1998 letter from PPROA President Bob Wesselman to Jim Berling (co-owner of Par-Tee) after a meeting in which Wesselman, Bill Blick (PPROA Board Member) and Nancy Rattermann (PPROA Board Member) informed Mr. Berling of the terms of the Connection Contribution agreement between ICH and PPROA. The letter expressly states that ICH and the PPROA reached an agreement on June 28, 1997 and that it was announced at a special meeting of the PPROA. The letter also outlines the Connection Contribution amount, how that amount was reached at the June 28, 1997 special meeting, and the specific terms agreed to by the PPROA and Par-Tee that would allow residents to recoup their Connection Contribution donations. (Par-Tee Exhibit 2). These terms were consistent with the representations made by ICH during the sale of the property and Par-Tee agreed to them. The CCWD has substantially completed the connection project and is waiting for Par-Tee to seek permission from the Public Service Commission to transfer its water utility to CCWD. Par-Tee is waiting for the determination of this hearing before requesting approval to transfer the utility.

It should be noted that this case came before the hearing officer due to the written complaint of PPROA Board Member, David Burdette (Intervenor in this case) that incorrectly identified the Connection Contribution as a tap-in fee. Despite having knowledge of Bob

Wesselman's activities as President of the PPROA, the Intervenors in this case, Messrs. Burdette and Minch, did not produce any Board actions, minutes of meetings, or other documents relating any disapproval or disagreement with actions taken by PPROA Board President, Bob Wesselman or indicating that Mr. Wesselman was removed from office because of his actions in regard to the CCWD project. In fact, no evidence whatsoever could be produced by Messrs. Burdette and Minch indicating that either one of them or any other resident objected to this plan to have residents pay the Connection Contribution at any PPROA Board meetings or other activities. Messrs. Burdette and Minch are clearly in favor of connecting to the CCWD and stated that they were willing to pay the Connection Contribution. (Cross Examination of David Burdette, pp. 110-111 and Paul Minch, pp. 128-129).

#### ARGUMENT

**I. ICH AND PAR-TEE DID NOT ACT AS A UTILITY, CHARGE RATES OR PROVIDE SERVICES AS DEFINED IN KRS 278.010, BY COLLECTING AND ADMINISTERING THE VOLUNTARILY PAID CONNECTION CONTRIBUTION, AND ARE NOT IN VIOLATION OF KRS 278.160 AND COMMISSION REGULATION 807 KAR 5:011, SECTION 2 BECAUSE THE PUBLIC SERVICE COMMISSION HAS NO JURISDICTION OVER PRIVATE AGREEMENTS BETWEEN NON-UTILITIES.**

**A. ICH and Par-Tee did not act as a utility by collecting and administering the voluntarily paid Connection Contribution because neither company received any compensation for its activities.**

KRS 278.010(3)(d) defines a utility as any person (including individuals and business entities) who owns, controls, or operates or manages any facility used or to be used for or in connection with the diverting, developing, pumping, impounding, distribution, or furnishing of water to or for the public **for compensation**. KRS 278.010(3) (emphasis added). In Austin v City of Louisa, the Court of Appeals determined that a partnership constructing private water lines is not a utility as defined in KRS 278.010, if its only charge to users is to cover the cost of

construction and not pursuing or generating income or compensation. The City of Louisa provided water service to residents in Louisa and permitted Lonnie Boggs and his associates who lived outside of the city to connect to the city water line by means of constructing private water pipes. Boggs and his associates permitted their neighbors to connect to the water line that they built if the neighbors would agree to certain conditions designed to defray the cost of construction of the line. In the contract for the connection between the individuals and the neighbors, it was agreed that each neighbor would pay One Hundred Dollars (\$100.00) to Boggs and his associates to cover the cost of construction of the line, pay a share of the maintenance expenses and not hold Boggs and his associates responsible for loss of service. Boggs and his associates made no profits or compensation from this arrangement. The Austins refused to sign the contract and Boggs and his associates shut off their access to the water line. The Austins argued that this was an illegal action because Boggs and his associates were a utility. In determining that Boggs and his associates did not constitute a utility the Court noted, "It is obvious that this is not a case of the distribution of water for compensation by Boggs & Associates, KRS 278.010 as would make the Boggs line a public utility." Austin v. City of Louisa, 246 S.W.2d 662, 664 (Ky. 1954). Par-Tee does not assert that this case creates a rule of law that allows private groups to shut off water service to individuals who do not pay for use of a line. Rather, this case establishes that individuals or entities engaged in contracts relating to spreading costs of construction or connection to water lines for no profit or benefit are not receiving compensation to qualify them as a utility under KRS 278.010.

The purpose of the Connection Contribution was to connect the residents of Perry Park Resort to the CCWD. All payments of the Connection Contribution were entirely voluntary. ICH and Par-Tee merely acted as a collection agent in a venture whose purpose was to spread the cost of construction and connection of the CCWD water line. The funds did not affect ICH/Par-

Tee owned water lines or facilities used by the ICH and currently Par-Tee owned water utility. Neither ICH nor Par-Tee profited or received compensation for the activities of negotiating the project cost with CCWD, the participation and contribution of its funds and resources, or the administration of the collection of the contribution fees from the residents. All Connection Contribution funds were kept separately from utility operations and accounts in a jointly controlled account owned by PPRI and PPROA. ICH and Par-Tee took no actions to coerce payment including shutting off water, threatening to shut off water, or filing liens. The Public Service Commission and the Intervenors have not offered or established any proof to contradict these facts. Additionally, Par-Tee will be ceasing to operate as a water utility upon connection to CCWD, resulting in the loss of an income source and an asset for no compensation. Since payment of the One Hundred Thousand Dollar (\$100,000.00) Connection Contribution to CCWD, Par-Tee has invested approximately One Hundred Thousand Dollars (\$100,000.00) to update, maintain and improve the current water system to insure that it would continue to function if the CCWD project failed. If Par-Tee transfers the water utility to CCWD, Par-Tee will lose any means of recouping these costs. These facts firmly establish that none of the activities engaged in by ICH or Par-Tee, related to the Connection Contribution, were engaged in by ICH or Par-Tee for compensation in any way. Under the applicable case law and statutes, the lack of compensation or generation of income for these activities removes ICH and Par-Tee from the definition of a utility within KRS 278.010.

**B. ICH and Par-Tee did not charge rates, provide utility services, or deny or affect utility services by collecting and administering the voluntarily paid Connection Contribution.**

Generally, a utility that uses its facilities to generate income is subject to Public Service Commission jurisdiction because the income generated qualifies as a "rate" charged for

“services.” KRS 278.010(12) defines a rate as **“any individual or joint fare, toll, charge, rental or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement or privilege in any way relating to such fare, toll, charge, rental or other compensation and any schedule or tariff or part of a schedule or tariff thereof.”** KRS 278.010(12) (emphasis added). Service is defined in KRS 278.010(13) as “any practice or requirement in any way relating to the **service of any utility**, including . . . the purity, pressure, and quantity of water, and in general, the quality, quantity and pressure of any commodity or product used or to be used for or in connection with the **business of any utility.**” KRS 278.010(13) (emphasis added).

The Kentucky Court of Appeals issued a decision that clarified what activities engaged in by a utility constitute “rates” and “services”. In Kentucky CATV Association v. Volz, various utilities were arranging private contracts with cable television companies throughout the state for the rental of space on utility poles for cable lines. The Kentucky Cable TV Association argued that pole attachment rental agreements were not the typical regulated activities of utilities and as a result the Public Service Commission had no jurisdiction. The Court of Appeals determined that these pole attachment agreements were subject to the jurisdiction of the Public Service Commission because the utilities were making profits from them. The Court considered the definitions of utility, rate and service as defined in KRS 278.010 and determined that the profit made by the utilities for the use of their poles was a rate for service. Kentucky CATV Association v. Volz, 675 S.W.2d 393 (Ky.App. 1983). Accordingly, if a utility engages in an activity that does not involve the generation of any income or the use of its facilities, then private agreements relating to such an activity would be beyond the jurisdiction of the Public Service Commission.

The statutory definitions of “rate” and “service” hinge on activity by a utility. As outlined above ICH and Par-Tee were not acting as utilities under the statutory definition because they received no compensation for administering the collection of Connection Contributions. Even if they are considered utilities these actions were not “rates” or “services” within the meaning of the statutory definitions and the rule of Kentucky CATV Association. The PPROA voluntarily made the decision to contribute to this CCWD project, ICH and Par-Tee did not force them. The PPROA determined that the amount to be paid would be based on each water meter owned. All payments by residents were voluntary. As thoroughly outlined above, all money collected for the Connection Contribution was kept separately from all ICH and Par-Tee accounts and neither company had control of such funds or the Account. The payments were not made for services provided to residents by the water utility owned by ICH and later Par-Tee and as a result were not included in its filed tariff.

The Connection Contribution did not affect services provided to residents in any way. No residents enjoyed any sort of extra service from paying the Connection Contribution or suffered interruption of service from not paying. ICH and Par-Tee’s notices, sent out as the collecting agent, all clearly identified that the monies contributed were to be paid to the PPRI and PPROA and that they were for the CCWD project – not current water services. Ultimately, ICH and Par-Tee retained no money from this arrangement and none of ICH and Par-Tee’s resources or facilities were used or affected by the collection of the Connection Contribution. Thus, even if ICH and Par-Tee were utilities, their activities related to the Connection Contribution funds voluntarily paid by residents of Perry Park Resort did not qualify as a “joint fare, toll, charge, rental or other compensation” provided in connection with any “services by a utility” for the generation of income under KRS 278.010(12) and (13) and the rule in Kentucky CATV Association.

**C. ICH and Par-Tee's actions were not actions by a utility and did not involve or affect any rates or services of a utility and as a result its arrangement with the PPROA is a private agreement beyond the scope of the jurisdiction of the Public Service Commission.**

The Public Service Commission has exclusive and original jurisdiction over all activities of a "utility" including regulation of rates and services. KRS 278.040. KRS 278.060 grants the Public Service Commission full authority to investigate and hear complaints regarding utilities and the rates they charge and services they provide. KRS 278.060. KRS 278.010(3) defines and case law has interpreted "utility" to be a person or entity engaged in the provision of services for rates or **compensation**. KRS 278.010(3) and see Austin v. City of Louisa, 246 S.W.2d 662, 664 (Ky. 1954). KRS 278.010(12) and (13) defines and case law has interpreted "rate" and "service" to be charges by a utility for services rendered or use of its facilities for the **generation of income**. KRS 278.010(12) and (13) and see Kentucky CATV Association v. Volz, 675 S.W.2d 393 (Ky.App. 1983). If a person or entity is not engaged in the activities of a utility or is a utility acting in a manner that is not intended to and does not generate income or affect services then the Public Service Commission has no jurisdiction pursuant to KRS 278.040 and cannot investigate or hear complaints pertaining to such activities under KRS 278.060.

The evidence introduced at the March 14, 2000 hearing establishes that ICH and Par-Tee did not receive any compensation, retain any funds or benefit in any way from the activities in which it engaged relating to the connection to CCWD, including but not limited to: the negotiation of a connection to CCWD, the administration of the collection of the Connection Contribution and the contribution of its own portion of said project fee, relating to the connection to CCWD. The statutes and case law outlined above applied to the facts of this case establish that ICH and Par-Tee were not acting as utilities, were not charging rates, and were not affecting the services of customers. Since the activities engaged in by ICH and later Par-Tee and the

PPROA were those of private individuals and not within the statutory definition of a utility or the act of providing utility services for a rate, the Public Service Commission has no jurisdiction to investigate or hear the complaints of Intervenor Burdette in this matter according to KRS 278.060 or investigate on its own initiative. The CCWD Connection project activities of ICH and Par-Tee are not included in the grant of jurisdiction under KRS 278.060 and as a result, the Public Service Commission has no power to investigate, hold hearings, or charge violations of KRS 278.160 and Commission Regulations 807 KAR 5:011, Section 2.

**II. IF ICH AND PAR-TEE ARE SUBJECT TO THE JURISDICTION OF THE PUBLIC SERVICE COMMISSION AS A UTILITY, THE CHARGES OF VIOLATING KRS 278.160, AND COMMISSION REGULATION 807 KAR 5:011, SECTION 2, SHOULD BE DISMISSED BECAUSE THE CONNECTION CONTRIBUTION WAS NOT A "RATE" CHARGED FOR "SERVICES" AND NEITHER INTERVENOR HAS A BASIS FOR A COMPLAINT.**

The Public Service Commission did not present any witnesses to contradict the record established by ICH and Par-Tee that the Connection Contribution was not a "rate" charged for "services" rendered as those terms are defined in KRS 278.010. Through cross examination, the Public Service Commission established that ICH's tariff did not include the Connection Contribution fee. However, it failed to prove or even attempt to prove that the Connection Contribution was a "rate" charged for "services" rendered, as those terms are defined in KRS 278.010.

Contrary to the factual allegations upon which the charges against ICH and Par-Tee were based, the Public Service Commission established that all notices sent to residents regarding payment of the Connection Contribution were clearly marked as "Contribution to Escrow Account for Carroll County Water District Participation". (Public Service Commission Exhibit "2"). KRS 278.160 and 807 KAR 5:011, Section 2, require utilities to file schedules showing all rates and conditions for services and that no utility shall charge, demand, collect or receive from

any person a greater or lesser compensation for any service rendered to be rendered and that no person shall receive any service from any utility for greater or lesser compensation than stated in the schedules. ICH and Par-Tee established that the Connection Contribution was not a rate because ICH and Par-Tee were providing no services for the money collected and, in fact, were merely collection agents for the residents. As a result, ICH and Par-Tee were not charging rates for services and were not required to include them in its tariff. Since these fees were not required to be included in the tariff, there can be no violation of KRS 278.160 and 807 KAR 5:011, Section 2.

Mr. Burdette's testimony and incorporated complaint do not provide any grounds to support a charge against ICH and Par-Tee for violating KRS 278.160 and 807 KAR 5:011, Section 2. His testimony indicates that he personally was not in favor of the agreement between the PPROA and ICH and that he did not pay the Connection Contribution. At the time that ICH and later Par-Tee and the PPROA made the agreements relevant to the case, Mr. Burdette was on the PPROA Board of Directors. He testified that he had never missed a Board of Directors meeting. (Cross Examination Testimony of David Burdette, p.108). Despite his disagreement with the arrangement to pay the Connection Contribution, his dissention is not noted in the minutes of the Special Meeting of the PPROA approving the agreement between ICH and the PPROA on June 28, 1997. Mr. Burdette indicated that he was aware that the notices regarding payment of the Connection Contribution sent to residents stated that the Connection Contribution was being collected in conjunction with the PPROA. While claiming that he personally did not approve of it, Mr. Burdette was aware of the joint account and its terms. He also was aware that Connection Contribution payments were to be deposited in the Account (Cross Examination Testimony of David Burdette, p. 111).

Essentially, Mr. Burdette's testimony establishes that he understood that the Connection Contribution fee was not a tap-in fee. He understood that the fee was not for current services or any services by ICH or Par-Tee, but rather to connect to the CCWD. (Cross Examination Testimony of David Burdette, p. 117). This understanding was practically manifested by the fact that he did not pay the Connection Contribution, but despite this received no change in water services or any services provided by ICH or Par-Tee.

Mr. Burdette stated that he wanted pay the Connection Contribution to get Carroll County water service if it was legal. (cross examination testimony of David Burdette, p. 173). The basis of his claim that the Connection Contribution was illegal was that it was a tap-in fee and that Bob Wesselman did not have authority of the PPROA Board of Directors to commit the PPROA and residents to pay it. The hearing record clearly indicates that the Connection Contribution was not a tap-in fee and that it had nothing to do with water "rates" or "services" rendered by ICH or Par-Tee. More importantly, Mr. Burdette's testimony shows that while he personally dissented with the Board's decision to agree with ICH and later Par-Tee, he has no evidence of any Board action forbidding such an agreement or rebuking or removing Mr. Wesselman for exercising his authority. He did not even present evidence that he expressed his personal objection to the agreement regarding the Connection Contribution at any PPROA meetings. Taken in total, Mr. Burdette's testimony proves that there was no basis or legitimacy to his complaint of illegality and that he wishes to pay the Connection Contribution.

Mr. Minch intervened in this case because he thought that ICH and now Par-Tee should pay the cost to construct and connect to the CCWD. He based his belief on the idea that ICH and now Par-Tee would save substantial amounts of money by not having to upgrade the current water utility. Mr. Berling's testimony proves that Mr. Minch's assumptions were incorrect. Par-Tee has invested well over One Hundred Thousand Dollars (\$100,000.00) in capital

improvements to the water system. Furthermore, if the water utility is transferred to CCWD, Par-Tee will lose all means of recouping these capital outlays. Depending on the result of this hearing, Par-Tee fully intends to seek permission to transfer the utility to the CCWD for no compensation. If Par-Tee is forced to return the Connection Contributions, it will be too financially stressed to turn the utility over to CCWD and will be forced to seek a rate increase in order to pay for the capital construction and Connection Contribution to CCWD. Once that money is recouped, Par-Tee would consider seeking permission to transfer its utility to the CCWD. Mr. Minch acknowledged his understanding that Par-Tee would, in fact, lose money by transferring the utility and that if transfer was not completed that water rates would be raised in order to pay for its expenses (cross examination testimony of Paul Minch, pp. 131- 134. In fact, he stated that he would withdraw his objection to the Connection Contribution and not ask the Public Service Commission to return the One Hundred Thousand Dollar (\$100,000.00) collected if the connection to CCWD were made. (Cross Examination Testimony of Paul Minch p. 132).

From the record, there is no basis for supporting the allegation that ICH and Par-Tee violated KRS 278.160 and 807 KAR 5:011, Section 2, by administering the Connection Contribution. The Public Service Commission failed to show that any rates or other income were charged or generated and that no services were rendered by the water utility owned by ICH and now Par-Tee in connection with the efforts to raise money to connect to the CCWD. Most importantly, the residents who complained have acknowledged that the connection to the CCWD is of paramount importance and that they are willing to pay the Connection Contribution. Furthermore, they presented no evidence that their services were, in any way, affected by their willingness or refusal to pay the Connection Contribution or that the actions of the PPROA and its President, Bob Wesselman, were unauthorized. Ultimately, the record shows that the Connection Contribution was not a "rate" for "services" charged by a utility; that the majority of

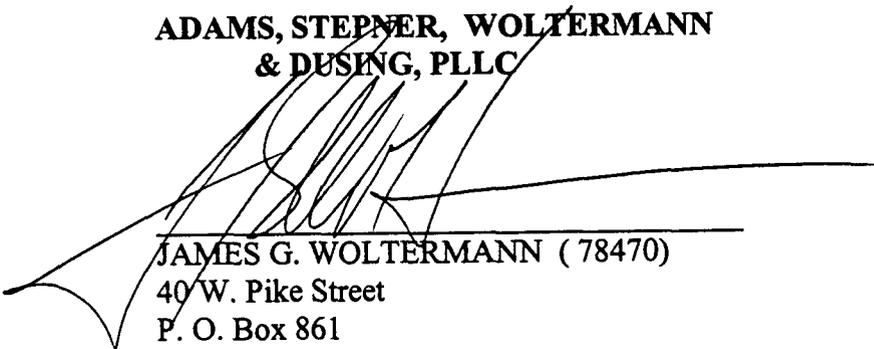
residence were willing to and did pay it; that the few residents who objected to the Public Service Commission had no basis for their objection and, in fact, want the connection; and that the connection is substantially complete. Accordingly, there is no evidence in the record to support the allegations that ICH and Par-Tee violated KRS 278.160 and 807 KAR 5:011, Section 2.

**CONCLUSION**

For the above-stated reasons, Par-Tee respectfully requests that the hearing officer dismiss the complaint against Par-Tee for all alleged violations of KRS 278.160 and Commission Regulations 807 KAR 5:011, Section 2 due to lack of jurisdiction.

Respectfully submitted,

**ADAMS, STEPNER, WOLTERMANN  
& DUSING, PLLC**



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Attorney for Respondent,  
Par-Tee, LLC

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies a true and correct copy of the foregoing Brief was mailed via first class on the 12th day of April, 2000 to each of the following:

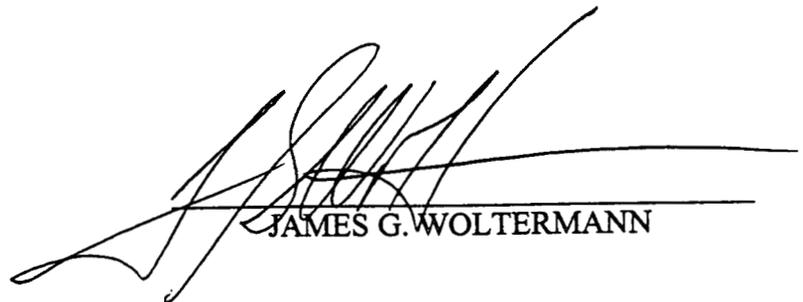
Martin Huelsman  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
P. O. Box 615  
Frankfort, KY 40602

Marshall P. Eldred, Jr.  
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45 Springport  
P. O. Box 116  
Perry Park, Kentucky 40363



JAMES G. WOLTERMANN



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

January 26, 2000

To: All parties of record

RE: Case No. 1999-210

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell

Secretary of the Commission

SB/hv  
Enclosure

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Perry Park Resort, Inc.  
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Mr. Paul D. Minch  
P. O. Box 58  
Perry Park, KY 40363

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A GLENWOOD HALL )  
RESORT AND COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE LLC D/B/A )  
PERRY PARK RESORT )  
)

\_\_\_\_\_ )  
ALLEGED VIOLATION OF KRS 278.020(4), )  
KRS 278.020(5), 278.160 AND COMMISSION )  
REGULATIONS 807 KAR 5:011, SECTION 2, )  
AND 807 KAR 5:011, SECTION 11 )

CASE NO.  
99-210

ORDER

On May 24, 1999, the Commission directed I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") and Par-Tee LLC d/b/a Perry Park Resort ("Par-Tee") to appear before it and show cause why they should not be penalized pursuant to KRS 278.990(1) for alleged violations of KRS Chapter 278 and Commission regulations. Following the commencement of this proceeding, ICH, Par-Tee, and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. The parties were unsuccessful in reaching a complete resolution of this matter, but were able to reach an agreement on the violation of KRS 278.020(4) and (5) and agreed that the remaining issues would be set for a hearing. A Settlement Agreement to that effect was entered by the parties on September 29, 1999. The Settlement Agreement was submitted for Commission approval and is appended hereto.

After reviewing the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of the violations of KRS 278.020(4) and (5), and is in the public interest. The Commission further finds that a hearing should be held on March 14, 2000 to resolve the remaining issues in this matter.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Within 10 days of the date of this Order, ICH and Par-tee shall each pay to the Commonwealth of Kentucky the sum of \$500.00. Payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

4. ICH and Par-Tee, through their representatives, shall appear before the Commission on March 14, 2000 at 9:30 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purposes of presenting evidence concerning the alleged willful violations of KRS 278.160 and Commission Regulation 807 KAR 5:011, Section 2; of showing cause, if any, why they should not be subject to the penalties prescribed in KRS 278.990(1) for

the alleged violations; and of showing cause, if any, why all monies collected for the hook-on to the Carroll County Water District's expansion line should not be refunded.

Done at Frankfort, Kentucky, this 26th day of January, 2000.

By the Commission

ATTEST:

  
Executive Director

**APPENDIX**

**APPENDIX TO THE ORDER OF THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

**IN CASE NO. 99-210**

**DATED JANUARY 26, 2000**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A )  
GLENWOOD HALL RESORT AND )  
COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE, LLC )  
D/B/A PERRY PARK RESORT )

CASE NO. 99-210

\_\_\_\_\_ )  
ALLEGED VIOLATION OF )  
KRS 278.020(4) AND (5), KRS 278.160, )  
AND COMMISSION REGULATIONS )  
807 KAR 5:011, SECTION 2, AND )  
807 KAR 5:011, SECTION 11 )

SETTLEMENT AGREEMENT

This settlement agreement is entered into by and between I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") and Par-Tee, LLC d/b/a Perry Park Resort ("Par-Tee") and the Staff of the Public Service Commission of Kentucky ("Staff").

WHEREAS, on July 21, 1999 an informal conference was held between Staff and representatives of ICH and Par-Tee for the purpose of discussing matters to aid in the disposition of this proceeding; and

WHEREAS, there are two separate and distinct issues involved in this case before the Commission; and

WHEREAS, ICH and Par-Tee and Staff have reached an agreement to settle the issue of the violation of KRS 278.020(4)(5), being the unauthorized transfer and acquisition of the subject utility between ICH and Par-Tee; and

WHEREAS, the remaining issue of the assessment charged to residents of Perry Park is to be considered in this case in further proceeding before the Commission;

NOW, THEREFORE, be it resolved and stipulated that:

1. ICH and Par-Tee each waive its right to a public hearing upon the violation of KRS 278.020(4)(5), which provides that no person shall transfer ownership or obtain control of any utility under the jurisdiction of the Commission without prior approval of the Commission.

2. There are no further facts to be submitted to the Commission by ICH and Par-Tee concerning the violation of KRS 278.020(4)(5).

3. ICH and Par-Tee are both in violation of KRS 278.020(4)(5).

4. ICH and Par-Tee agree to the imposition of a civil penalty for each in the amount of \$500.

5. Within 10 days after the approval of this settlement agreement by the Commission, ICH and Par-Tee, each, shall pay \$500 to the Kentucky State Treasurer by cashier's check.

6. This agreement is submitted for the purpose of this case only and is not to be deemed binding upon ICH or Par-Tee in any other proceeding, nor shall it be offered or relied upon in any other part of the proceeding involving ICH or Par-Tee.

7. This settlement agreement is subject to the approval of the Commission.

8. If the Commission fails to approve this agreement, ICH and Par-Tee reserve the right to withdraw from it and to proceed with the case. In such event, none of the matters contained in this settlement agreement shall be binding on any of the parties.

9. If this settlement agreement is adopted in its entirety by the Commission, this settlement agreement shall constitute a final adjudication of the issue of the violation of KRS 278.020(4)(5).

10. If this settlement agreement is accepted by the Commission, the parties shall not request a rehearing or file an appeal of the Order in Franklin Circuit Court.

**AGREED TO BY:**

I.C.H. CORPORATION

By Therese K. Tucker

Date 14 September 1999

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

James R. [Signature]  
Staff Attorney  
Public Service Commission of Kentucky

Date 9-29-99

**HAVE SEEN AND AGREED TO:**

\_\_\_\_\_  
David Burdette

Date \_\_\_\_\_

\_\_\_\_\_  
Paul D. Minch

Date \_\_\_\_\_

8. If the Commission fails to approve this agreement, ICH and Par-Tee reserve the right to withdraw from it and to proceed with the case. In such event, none of the matters contained in this settlement agreement shall be binding on any of the parties.

9. If this settlement agreement is adopted in its entirety by the Commission, this settlement agreement shall constitute a final adjudication of the issue of the violation of KRS 278.020(4)(5).

10. If this settlement agreement is accepted by the Commission, the parties shall not request a rehearing or file an appeal of the Order in Franklin Circuit Court.

**AGREED TO BY:**

I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Staff Attorney  
Public Service Commission of Kentucky

**HAVE SEEN AND AGREED TO:**

*David Burdette*  
David Burdette

Date 08-16-99

\_\_\_\_\_  
Paul D. Minch

Date \_\_\_\_\_

8. If the Commission fails to approve this agreement, ICH and Par-Tee reserve the right to withdraw from it and to proceed with the case. In such event, none of the matters contained in this settlement agreement shall be binding on any of the parties.

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10. If this settlement agreement is accepted by the Commission, the parties shall not request a rehearing or file an appeal of the Order in Franklin Circuit Court.

**AGREED TO BY:**

I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Staff Attorney  
Public Service Commission of Kentucky

**HAVE SEEN AND AGREED TO:**

Date \_\_\_\_\_

\_\_\_\_\_  
David Burdette

*Paul D Minch*  
\_\_\_\_\_  
Paul D. Minch

Date 8-17-99

8. If the Commission fails to approve this agreement, ICH and Par-Tee reserve the right to withdraw from it and to proceed with the case. In such event, none of the matters contained in this settlement agreement shall be binding on any of the parties.

9. If this settlement agreement is adopted in its entirety by the Commission, this settlement agreement shall constitute a final adjudication of the issue of the violation of KRS 278.020(4)(5).

10. If this settlement agreement is accepted by the Commission, the parties shall not request a rehearing or file an appeal of the Order in Franklin Circuit Court.

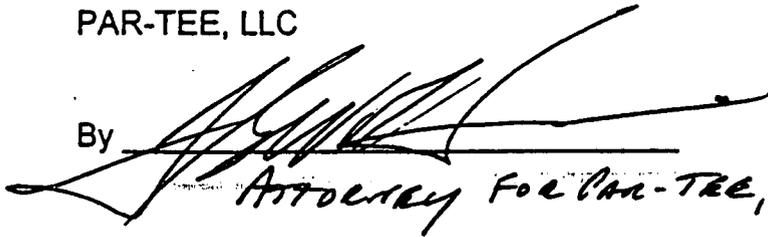
**AGREED TO BY:**

I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By  \_\_\_\_\_  
*ATTORNEY FOR PAR-TEE, LLC*

Date 9/27/99

\_\_\_\_\_  
Staff Attorney  
Public Service Commission of Kentucky

Date \_\_\_\_\_

**HAVE SEEN AND AGREED TO:**

\_\_\_\_\_  
David Burdette

Date \_\_\_\_\_

\_\_\_\_\_  
Paul D. Minch

Date \_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

APR 17 2000

I.C.H. CORPORATION A/K/A GLENWOOD  
HALL RESORT AND COUNTRY CLUB  
A/K/A PERRY PARK RESORT  
AND PAR-TEE LLC D/B/A PERRY PARK  
RESORT

PUBLIC SERVICE  
COMMISSION

Case No. 99-210

ALLEGED VIOLATION OF KRS  
278.020(4) AND (5), KRS 278.160, AND  
COMMISSION REGULATIONS 807 KAR  
5:011, SECTION 2 AND 807 KAR 5:011,  
SECTION 11

**POST-HEARING BRIEF**

ICH Corporation ("ICH") hereby submits its brief following the hearing held in the above-referenced proceeding on March 14, 2000:

**Statement of the Case**

On May 24, 1999, the Commission issued an order ("Initiating Order") directing that ICH and Par-Tee LLC ("Par-Tee") appear before it and show cause why they should not be penalized pursuant to KRS 278.990(1) for alleged violations of KRS 278.020(4) and (5), KRS 278.160, and corresponding Commission regulations. The alleged violations relate to certain utility assets and operations used and useful in providing water and sewer service to the community at Perry Park, Kentucky. For ease and clarity, reference to the assets, operations, and entities at Perry Park subject to Commission jurisdiction as water and sewer utilities — whatever the owner, operator, or controller — shall be to "the Perry Park Utilities." The only other parties to this proceeding are Perry Park residents David Burdette and Paul Dean Minch, who were granted limited intervention by order dated July 29, 1999.

In the Initiating Order, the Commission stated that it had information suggesting that the utility assets had been transferred to Par-Tee from ICH in 1998, and that it had not been given ad-

vance notice and had not given approval of such a transfer.<sup>1</sup> In addition, the Commission noted that it had received an allegation that Perry Park residents “have been charged an assessment in the amount of \$388 by ICH — apparently now Par-Tee — as a hook-on fee to a new line expansion planned by Carroll County Water District [CCWD].”<sup>2</sup> With respect to the \$388 “assessment,” the Commission ordered ICH and Par-Tee to show cause “why they should not be subject to the penalties prescribed in KRS 278.990(1) ... [and] why all monies collected for the hook-on to the [CCWD] expansion line ... should not be refunded.”<sup>3</sup>

By Commission order, an informal conference was held in this proceeding on July 21, 1999. Representatives of the Commission Staff, Par-Tee, and ICH attended the conference, at which they reached a proposed settlement regarding Par-Tee’s acquisition of the Perry Park Utilities and its subsequent billing and collection pursuant to the Perry Park Utilities’ tariffs. On recommendation by the Staff, the Commission approved the settlement in an order dated January 26, 2000 (“Settlement Order”). Par-Tee and ICH have fulfilled all the requirements and conditions of the settlement and the Settlement Order.

Pursuant to Commission order, a hearing on the remaining issues in this proceeding was held at the Commission on March 14, 2000, beginning at 9:30 A.M. (“the Hearing”). The only issue to be addressed at the Hearing was a \$388 payment made by some of the Perry Park residents and whether this payment involved any willful violation of KRS 278.160 or 807 KAR 5:001, section 2.<sup>4</sup> A member of the public, Linda Burdette, made a comment on the record before testimony was taken.<sup>5</sup> Witnesses testifying at the Hearing were:

- ICH Executive Vice President and General Counsel John A. Bicks
- Par-Tee partner James W. Berling

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<sup>1</sup> Initiating Order at 3.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at 4 (¶ 1).

<sup>4</sup> Settlement Order at 2-3 (¶ 4); 3/14/00 Transcript of Evidence (“T.E.”) 11 ll.12-20.

<sup>5</sup> T.E. 15 ll.4-25.

- Intervenor David Burdette, and
- Current president of the Perry Park Resort Owners Association and Intervenor Paul Dean Minch.

At the Hearing, the parties were granted the right to file briefs within 20 days from the filing of the transcript in this proceeding.<sup>6</sup> The transcript of the Hearing was filed March 28, 2000.

### Statement of the Evidence

#### 1. The Perry Park Utilities were transferred by ICH to Par-Tee as of July 31, 1998.

- a. ICH transferred all of its Perry Park assets, including the water and sewer systems, to Par-Tee on July 31, 1998. T.E. 17 l.25 – 18 l.4 , 19 ll.6-15, 66 ll.20-22 (Bicks); 77 ll.11-14 (Berling).
- b. Among the Perry Park assets transferred by ICH to Par-Tee was ICH's interest in an escrow account that contained money contributed by ICH and by Perry Park residents. T.E. 21 ll.7-18 (Bicks).
- c. After July 31, 1998, ICH had no continuing interest in Perry Park or its operations. T.E. 19 ll.6-13 (Bicks). Prior to the transfer, Par-Tee had nothing to do with the ownership or operation of Perry Park. T.E. 77 l.21 – 78 l.4 (Berling).

#### 2. Inclusion of Perry Park in the CCWD extension project required contribution of \$100,000 and of other assets.

- a. CCWD was constructing a new water main to another town, down the highway fronting Perry Park. T.E. 20 ll.5-12 (Bicks).
- b. ICH negotiated an arrangement with CCWD whereby CCWD agreed to include Perry Park in its extension. T.E. 57 ll.11-15, 66 ll.23-24 (Bicks).
- c. CCWD agreed to tap the existing Perry Park water system onto the new main in exchange for a payment of \$100,000, grants of easements over Perry Park property, and the deed

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<sup>6</sup> T.E. 133 ll.13-19 (Hearing Officer Shapiro).

to a piece of land for a pumping station. T.E. 20 ll.13-23, 64 ll.6-18 (Bicks); 78 ll.17-25 (Berling).

- d. If the \$100,000 was not contributed, CCWD would not connect to the Perry Park system and would not be available to the Perry Park residents. T.E. 70 ll.16-20 (Bicks); 82 ll.9-11 (Berling).
- e. After the connection between CCWD's system and the Perry Park water system, CCWD was going to furnish the water to Perry Park residents and they would become customers of CCWD. T.E. 65 l.11 – 66 l.1 (Bicks), 79 ll.9-11 (Berling).
- f. Existing Perry Park Water Utility customers would not need to tap into CCWD's system; they are tapped into the Perry Park mains, and those mains would be connected with the CCWD system. T.E. 79 ll.12-23 (Berling).

3. The Perry Park Resort Owners Association (PPROA) acted alongside ICH and Par-Tee in calculating the amount to be paid by each lot owner and in collecting and turning over \$100.00 to CCWD.

- a. Perry Park residents would have preferred that ICH or Par-Tee bear the entire \$100,000 contribution. T.E. 71 ll.4-8 (Bicks); 127 l.25 – 128 l.1, 129 ll.2-8, 131 ll.2-7 (Minch); Burdette Exh. 1.
- b. The eventual agreement was that the residents would make a cash contribution toward the CCWD connection. T.E. 71 ll.9-16 (Bicks). Robert F. Wesselman, PPROA president, memorialized the agreement in a letter. T.E. 79 l.24 – 81 l.6 (Berling); 129 ll.2-8 (Minch); Par-Tee Exh. 2.
- c. ICH and the PPROA made an initial allocation of responsibility for raising the \$100,000 as between ICH and the residents; then the PPROA calculated a per-residence fee. T.E. 23 l.22 – 24 l.12, 31 l.15-20 (Bicks); 82 ll.15-18 (Berling).
- d. The PPROA's name and involvement were shown in notices sent to Perry Park residents about the CCWD extension and calling for payment of \$388 per residence into a special

joint account. T.E. 26 ll.4-23 (Bicks); 110 ll.6-15 (Burdette); Par-Tee Exh. 1; PSC Staff Exh. 2.

- e. “[T]he homeowners association and especially those who had paid and the folks who were running the association were lobbying to try to get the other residents who hadn’t yet paid to go ahead and pay ....” T.E. 22 ll.8-12 (Bicks).
- f. ICH provided administrative services to the PPROA in gathering the residents’ contributions as part of the agreement with the PPROA about how to raise the \$100,000 CCWD required. T.E. 55 ll.6-21, 56 l.21 – 57 l.5, 57 ll.17-22 (Bicks); 100 ll.9-10 (Berling).
- g. Disbursements from the special joint bank account required the signature and consent of the PPROA and ICH/Par-Tee. T.E. 27 ll.14-20, 62 ll.5-11 (Bicks); 87 ll.6-25 (Berling); 110 ll.6-15 (Burdette); 129 ll.14-16 (Minch); Par-Tee Exh. 1 & 2.
- h. Mr. Bicks characterized the relationship between ICH and the PPROA as a “joint venture between the company and the homeowners to try and get this \$100,000 scraped up so we could do the connection.” T.E. 56 ll.6-9.

4. Neither existing nor future water service was conditioned upon contribution of \$388.

- a. Mr. Bicks testified that ICH’s notice regarding the \$388 contribution was a separately stated item with the regular maintenance bill that residents got to defray the costs of maintaining the common areas of the property; the maintenance fee had no connection with receiving water service. T.E. 22 l.17 – 23 l.6, 23 l.18-21, 47 ll.2-14, 54 ll.12-18, 69 ll.2-22 (Bicks); *see* Minch Exh. 1, at 2 (describing maintenance fee structure).
- b. Invoices sent to Perry Park residents in late 1997 and early 1998 clearly described the nature and destination of the payment: “Property owner’s pro-rata contribution to escrow account for Carroll County Water District participation.” PSC Exh. 2.
- c. There is no evidence that the residents misunderstood the nature of the \$388 payment. *See* T.E. 56 ll.2-16 (Bicks). Mr. Burdette testified that he “absolutely” understood and knew the purpose for the \$388 and that it was so Perry Park could be part of the CCWD system, not for existing water usage. T.E. 126 ll.3-15.

- d. No resident was denied water service for not contributing \$388 toward the fund, and there was no plan to deny water service to those who did not pay. T.E. 23 ll.7-17 (Bicks); 99 ll.10-20 (Berling).
- e. ICH's Curt Moberg requested guidance from the Commission about whether those who did not contribute could be denied water service. See 6/8/98 Letter from Curt Moberg to PSC Executive Director.<sup>7</sup> The Commission responded: "[A] utility is authorized to charge and collect only those rates and services included in its tariff. Any other arrangement would be outside the Commission's authority and for which the Commission would have no procedure." 6/29/98 Letter from Helen C. Helton to Curt Moberg.<sup>8</sup>
- f. Whether or not a resident contributed the \$388 has nothing to do with water service received in the past or to be received in the future or even with whether a resident will get water from CCWD if the connection to its system eventually is made. T.E. 116 l.16 – 117 l.14 (Burdette).

5. No services were rendered (or promised to be rendered) for the payment of \$388, and amounts contributed were to be refunded if CCWD did not include Perry Park in the extension.

- a. The Perry Park Water Utility tariff filed with the PSC does not contain any mention of a \$388 charge. T.E. 52 ll.11-18, 53 ll.13-22 (Bicks); PSC Exh. 1.
- b. The Perry Park Water Utility was not collecting the \$388 as part of its utility billing process or as a fee for its utility services. T.E. 55 ll.2-21 (Bicks).
- c. Mr. Bicks testified that if the money contributed was not paid to CCWD or the project otherwise fell through, then the money would be returned or refunded to those who had contributed. T.E. 27 ll.21-25, 55 ll.12-18 (Bicks).

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<sup>7</sup> This letter indicates that Mr. Moberg had spoken with Staff Attorney J.R. Goff.

<sup>8</sup> According to Mr. Burdette, the Commission's Bob Johnstone told Mr. Moberg that refusing water service would not be permissible. T.E. 106 ll.1-7 (Burdette). Mr. Burdette's conversation with Mr. Johnstone apparently took place in early Spring 1999. T.E. 114, ll.6-15 (Burdette).

- d. A 2/98 notice to the residents promised that if “the project is not completed, the people who paid their assessments will have their money refunded.” Par-Tee Exh. 1.<sup>9</sup>

6. The contribution of \$388 toward inclusion in the CCWD extension was voluntary.

- a. Some residents paid, and some did not. T.E. 21 l.25 — 22 l.2 (Bicks).
- b. Mr. Burdette has not contributed \$388 to the project; no action was taken against him and he “wasn’t worried” that his water would be turned off. T.E. 111 l.24 – 112 l.10 (Burdette).
- c. Mr. Bicks testified: “[T]his was really in the nature of a voluntary contribution. People either paid it or they didn’t pay it. We never took any action with respect to people who didn’t pay it.” T.E. 59 l.24 – 60 l.3. “[T]here was no enforcement action of any kind either by the company against the delinquent homeowners or by the association against the homeowners.” T.E. 70 ll.2-5.
- d. No attempt has been made by Par-Tee to collect monies toward the CCWD project as anything other than a contribution; in particular, there has been no discontinuance of water service or threat thereof. T.E. 90 ll.10-20 (Berling).

7. Perry Park residents were, and are, in favor of becoming part of the CCWD system.

- a. In a June 1997 letter to ICH’s CEO, Robert F. Wesselman declared: “Clearly the best interests of PPRI and the residents are served by tying into the Carroll County water project.” Burdette Exh. 1, at 2.
- b. Mr. Burdette testified that inclusion in the CCWD system was a “benefit,” and that he and others were willing to pay \$388 to get CCWD water. T.E. 112 ll.11-15, 113 ll.3-14, 122 ll.11-12.<sup>10</sup> Mr. Minch testified: “Yes, the residents of Perry Park were, in large

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<sup>9</sup> Handwritten on the notice is the date “2/17/98”; a February 1998 date is consistent with Mr. Bicks’ recollection of when a notice was circulated. T.E. 60 ll.15-21 (Bicks). Partial refunds to the residents who contributed may also be made through Par-Tee’s payment of construction or development fees into the special joint account. See T.E. 84 l.15 – 87 l.1 (Berling); Par-Tee Exh. 2.

<sup>10</sup> See also Initiating Order App. B (5/6/99 Letter from David D. Burdette to Bob Johnstone) at 3. Mr. Burdette did not complain to the Commission about the efforts to raise the \$100,00 paid to CCWD until Spring 1999 – more than two-and-a-half years after he knew that inclusion in the

number, in favor of having Carroll County water. They did not want ICH to continue providing water, and I believe that that was an undercurrent in why the \$69,000 was collected." T.E. 128 ll.13-17.

- c. The Perry Park residents "were extremely anxious to be off of the existing Perry Park system and to be onto the Carroll County system." T.E. 71 ll.1-3 (Bicks); *see also* T.E. 59 ll. 12-18 (Bicks); 92 ll.17-20 (Berling).
- d. Since December 1999, more contributions of \$388 have been made — probably motivated by the visibility of construction on the CCWD extension. T.E. 95 ll.13-25, 100 ll.14-17 (Berling); Par-Tee Exh. 6.<sup>11</sup>

8. The Perry Park Water Utility has not received any compensation for monies and property rights turned over to CCWD or for the anticipated transfer of water system assets to CCWD.

- a. The monies contributed were not paid to ICH, were deposited into the special joint bank account, and were not attributed to either Perry Park Utility in their respective annual reports to the Commission. T.E. 61 l.25 – 62 l.4, 69 ll.19-22 (Bicks).
- b. An early deposit into the special account was a contribution from ICH of between \$14,000 and \$16,000; it was expected that any shortfall in reaching the \$100,000 required by CCWD might have to be made up by ICH in order for Perry Park to be included in the CCWD expansion. T.E. 24 ll.13-23, 57 ll.15-17 (Bicks); *see also* Par-Tee Exh. 6.
- c. A payment of \$69,000 was made to CCWD from the special joint account on September 3, 1998. T.E. 87 ll.6-15 (Berling); Par-Tee Exh. 3 & 5.
- d. Par-Tee eventually paid \$31,000 to cover the shortfall in the contributions toward the \$100,000 CCWD required. T.E. 82 ll.5-14, 88 ll.1-9 (Berling); Par-Tee Exh. 4. Par-

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CCWD expansion would require contributions from the residents. T.E. 114 ll.6-15 (Burdette); PSC Staff Exh. 2

<sup>11</sup> Mr. Berling testified that the additional amounts were paid after September 3, 1998; the bank statements for the joint account (Par-Tee Exh. 6) demonstrate that the additional contributions were not received by the end of December 1999.

Tee relied on the representations made by the PPROA in paying the \$31,000. T.E. 83 ll.13-20 (Berling).

- e. Par-Tee and the PPROA turned over \$100,000 to CCWD on September 3, 1998. Par-Tee Exh. 3-6.
- f. Par-Tee will not receive any compensation from CCWD for the transfer to CCWD of certain easements, the small piece of land, or the existing Perry Park Water Utility assets. T.E. 91 ll.7-13, 93 ll.3-11 (Berling). In fact, with the transfer of assets and cessation of Perry Park Water Utility, Par-Tee will be giving up the opportunity to receive further water utility revenues or to ever recover its investment of approximately \$100,000 since August 1, 1998, to improve the Perry Park water system. T.E. 92 ll.5-12 (Berling).
- g. Par-Tee has not profited and will not profit from the inclusion of Perry Park in the CCWD expansion. T.E. 90 l.21 – 91 l.6, 95 ll.8-12 (Berling).

#### Argument

There has been no violation of the dictates of KRS 278.160 or the Commission's corresponding regulations. Even if there had been a violation of the basic rule that all utility charges be included in a tariff filed with the Commission, cause has been shown why neither a refund nor a penalty is warranted.

*Neither ICH nor Par-Tee charged a fee it was not supposed to charge.*

The evidence is that the \$388 paid by some of the Perry Park residents was not a *rate or condition for service* established and collected or enforced by either ICH or Par-Tee. In fact, no witness testified (or other evidence was provided) that any service was to be or was rendered by the Perry Park Utilities in exchange for the \$388. *See* KRS 278.160 (requiring utility rates or conditions to be shown in a tariff filed with the Commission and only such tariffed rates or conditions to be enforced by a utility). Furthermore, to the extent that ICH or Par-Tee had a role in the collection of contributions toward the CCWD extension, that role — like that of the PPROA — was not as a utility subject to the jurisdiction of the Commission. *See* KRS 278.010(3)(d) (defining a water "utility" by the ownership, control, operation, or management of a facility used or to be

used in connection with providing water service for compensation). Therefore, there has been no violation of KRS 278.160 or 807 KAR 5:011, section 2.

The \$388 contribution was neither an obligation due for service received or to be received nor a condition for receipt of service. No connection with service already received by a particular Perry Park water-user has been alleged or shown. In addition, there is no evidence that payment of \$388 was a condition either for continued receipt of service from the Perry Park Water Utility or for eventual inclusion in (or service from) the CCWD extended system. No move was made to collect the \$388 from, or to restrict any service or privileges received by, those Perry Park residents who chose to be free-riders on the efforts of others. Nor is there any evidence that ICH or Par-Tee even *threatened* to condition receipt of water service on contributing toward the \$100,000 CCWD required.<sup>12</sup>

Furthermore, the level of the requested contribution was not established by either ICH or Par-Tee. The requirement that \$100,000 be paid toward the extension of the CCWD system was established by CCWD. Once ICH decided that it would not commit to paying the entire amount, it was the PPROA that came up with the \$388 figure as the amount to be contributed by the owners of each property. The PPROA confirmed its role in setting the amount in a September 1998 letter in which it discussed arrangements whereby later contributions would be credited to those who had already paid, so that the ultimate amount contributed might be less than \$388.

The \$100,000 collected and turned over to CCWD also was not "collected or enforced" by a water utility. The collection and turn-over represented a joint effort by ICH (and then Par-Tee) and the PPROA to make it possible for Perry Park residents to become part of the CCWD water system. Thus, the contributions were to be refunded if there were no expansion of the CCWD system to include Perry Park. In addition, the CCWD system extension is not, and will not be, a facility owned, controlled, operated, or managed by the Perry Park Water Utility. In fact, if Perry

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<sup>12</sup> One of the intervenors stated that he heard from other Perry Park residents that this might be a sanction for not paying, but gave no source for this rumor. T.E. 128 II.2-8 (Minch).

Park is included in the CCWD system, the Perry Park Water Utility will turn its facilities over to CCWD and will cease to be a utility regulated by this Commission.

The combined effort by ICH, Par-Tee, and the PPROA thus most closely resembles the situation in *Austin v. City of Louisa, Ky.*, 264 S.W.2d 662 (1954). There, a group of people had constructed (and owned) a water line and let others tap into it for a fee; tapped-in users became customers of a municipally-owned water system. Although they had cut off water service to a residential user who failed to pay the tap-in fee, it was held that the group members were *not* a utility: "It is obvious that this is not a case of distribution of water 'for compensation' by [the group] as would make the [group's] line a public utility." *Id.* at 664. Instead, the court characterized their efforts as cooperatively creating a means for access to a water service and then preventing free rides on the access arrangements. *Id.* ICH, Par-Tee, and the PPROA worked to secure the possibility that Perry Park could become part of the CCWD system; their attempt to forestall free-riding on their work may not have been as successful, but they are no more a "utility" than was the *Austin* group.

***Neither a refund nor a penalty is warranted.***

No refund is warranted, in part because there has been no charge or collection of "a greater ... compensation for any service rendered or to be rendered than that prescribed in [Perry Park Utilities'] filed schedules." KRS 278.160(2). However, even if the \$388 amount *should* have been collected through the Perry Park Water Utility tariff (which would have eliminated the problem of free-riders on the voluntary system developed with the PPROA), a refund is not an appropriate remedy. A refund to those Perry Park residents who did contribute may lead to a situation in which Perry Park is not included in the CCWD expanded system — a result not favored by anybody.<sup>13</sup> An alternative would be to amend the Perry Park Water Utility tariff to include a non-recurring charge; however, returning the contributions to those who paid, seeking Commission approval of the tariff and then assessing every Perry Park water user under the tariff before the

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<sup>13</sup> See, e.g., T.E. 116 ll.2-5 (Burdette); 131 ll.20-7, 132 ll.9-22 (Minch).

transfer to CCWD would be a pointless exercise and only delay inclusion of Perry Park in the CCWD system. If the Commission determines that the contribution by Perry Park residents to the CCWD expansion can be made only through a Perry Park Water Utility tariff *and* Par-Tee decides to continue with the plan to transfer the existing water system to CCWD, then those who have already contributed money should be given an appropriate credit toward whatever non-recurring charge is added to the tariff.

Even if there were a violation by the Perry Park Water Utility for its role in collecting, contributing, and turning over monies to CCWD, no fine should be assessed against Par-Tee or ICH. The Commission's general penalty statute, KRS 278.990(1) provides for a fine only if

any utility *willfully* violates any of the provisions of this chapter or any regulation promulgated pursuant to this chapter, or does any act therein prohibited, or fails to perform any duty imposed upon it under those sections for which no penalty has been provided by law, or fails to obey any order of the commission from which all rights of appeal have been exhausted ....

No evidence even suggests that any violation of a Chapter 278 provision or failure to comply with a Commission regulation, order, or directive was willful.

First, there has been no clear violation of any statute, regulation, or order. Only if it is clear at the time of a utility's act (or failure to act) that the conduct violates a utility obligation or requirement can the mere fact that there has been a violation be taken as evidence that the conduct was a *willful* violation. With respect to the \$388 payments, the law and the facts suggest that there was no violation, because the situation is not within the purview of KRS Chapter 278 (*see* the discussion in the preceding section). A ruling now that something ICH and Par-Tee did was a violation would be surprising in the light of precedent such as the *Austin* decision and might establish the boundaries for permissible conduct in the future; however, neither ICH nor Par-Tee could have known at the time that the Commission would later view their conduct as contrary to rules regarding utility charges.

Second, ICH and Par-Tee disclosed to the Commission the prospect for Perry Park's becoming part of the CCWD system and the fact that Perry Park residents were contributing toward the \$100,000 which CCWD required. As part of that disclosure, ICH sought advice from the

Commission as to whether it would be lawful for it to refuse water service to those who did not make the \$388 contribution.<sup>14</sup> The written response from the Commission simply stated that an arrangement not involving utilities' rates and services "would be outside the Commission's authority and for which the Commission would have no procedure."<sup>15</sup> As a matter of fact, water service was never conditioned on contributing the \$388, no services were rendered (or promised to be rendered) for the payment of \$388, and amounts contributed were to be refunded if CCWD did not include Perry Park in the extension.

Third, the Perry Park residents — through their PPROA — joined in the collection and turn-over of monies to CCWD. Intervenor Burdette's testimony illustrates that the PPROA's active participation was not without some controversy;<sup>16</sup> however, the association itself eventually did lend its name to, and participated in, raising and turning over a portion of the \$100,000 to CCWD. ICH, and then Par-Tee, relied in good faith on the authority of the PPROA to represent the residents of Perry Park,<sup>17</sup> and turned over \$100,000 to CCWD only with the express participation of the PPROA.

### Conclusion

WHEREFORE, on the evidence and for the reasons stated, ICH respectfully requests that the Commission issue an order:

- (1) finding that ICH and Par-Tee have shown cause why there has been no willful violation of KRS 278.160 and why no refund of the \$388 contributed by some of the Perry Park residents is either necessary or desirable; and
- (2) terminating this proceeding.

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<sup>14</sup> An ICH representative asked the Commission whether it was permissible to "refus[e] water service to those who have not contributed until such time as they would pay their share ...?" 6/8/98 Letter from Curt Moberg to PSC Executive Director, at 1.

<sup>15</sup> 6/29/98 Letter from Helen C. Helton to Curt Moberg (responding to his 6/8/98 inquiry).

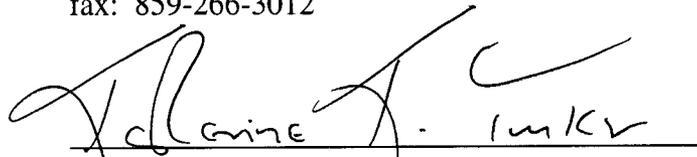
<sup>16</sup> Mr. Burdette suggested that PPROA President Wesselman might have acted without approval of the PPROA board and that such approval would have been required under PPROA rules. T.E. 106 ll.16-25. However, he did not recollect that the board rejected or sanctioned what Mr. Wesselman did. T.E. 109 l.8 – 110 l.5; 110 l.16 – 111 l.7.

<sup>17</sup> T.E. 58 ll.8-9 (Bicks): "We certainly did rely on the apparent authority of the designated representatives of the association ...." See also T.E. 83 ll.13-20, 96 l.15 – 97 l.4 (Berling).

Respectfully submitted,

Marshall P. Eldred, Jr.  
BROWN, TODD & HEYBURN  
400 W. Market Street  
Louisville, KY 40202  
502-589-5400

Katherine K. Yunker  
YUNKER & ASSOCIATES  
P.O. Box 21784  
Lexington, KY 40522-1784  
859-266-0415  
fax: 859-266-3012



\_\_\_\_\_  
ATTORNEYS FOR ICH CORPORATION

#### CERTIFICATE OF SERVICE

I hereby certify that on this the 17<sup>th</sup> day of April, 2000, a copy of the foregoing Post-Hearing Brief has been served, by U.S. mail, postage prepaid, on the following persons:

James R. Goff, Esq.  
P.O. Box 615  
Frankfort, KY 40602  
PUBLIC SERVICE COMMISSION STAFF

Mr. David D. Burdette  
P.O. Box 116  
Perry Park, KY 40363

INTERVENOR

Mr. Paul Dean Minch  
P.O. Box 58  
Perry Park, KY 40363

INTERVENOR

James G. Woltermann, Esq.  
Stacey L. Graus, Esq.  
ADAMS, BROOKING, STEPNER, WOLTERMANN  
& DUSING, PLLC  
40 West Pike Street  
Covington, KY 41011  
ATTORNEYS FOR PAR-TEE, LLC  
D/B/A PERRY PARK RESORT



\_\_\_\_\_  
ATTORNEY FOR ICH CORPORATION



**Paul E. Patton, Governor**  
**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**  
**Martin J. Huelsmann**  
**Executive Director**  
**Public Service Commission**

COMMONWEALTH OF KENTUCKY  
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**B. J. Helton**  
**Chairman**  
**Edward J. Holmes**  
**Vice Chairman**  
**Gary W. Gillis**  
**Commissioner**

March 1, 2000

Ms. Katherine K. Yunker  
Post Office Box 21784  
Lexington, KY 40522-1784

Mr. James G. Woltermann  
Adams, Stepler, Woltermann & Dusing, PLLC  
Post Office Box 861  
Covington, KY 41012-0861

Mr. Paul D. Minch  
Post Office Box 58  
Perry Park, KY 40363

Mr. David Burdette  
Post Office Box 116  
Perry Park, KY 40363

Re: **PSC Case No. 99-210**

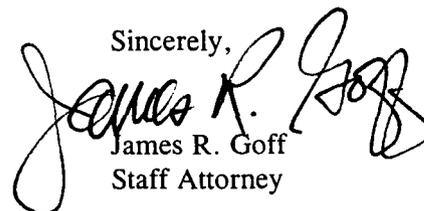
Good Morning:

The Commission Staff is of the opinion that the hearing set for March 14, 2000 will proceed quickly and smoothly if the documents listed below could be produced by any party. The documents are:

- a. Copy of the agreement between Perry Park Resort Inc. (PPRI) and Perry Park Resort Owners Inc. (PPROA) setting up the trust fund.
- b. Minutes of Special General Meeting of PPROA of June 28, 1997.
- c. Minutes of PPROA approving any assessment related to this matter.
- d. Copy of agreement between ICH, PPRI and/or PPROA and Carroll County Water District.

Feel free to call me at 502/564-3940, extension 261, if you have any questions.

Sincerely,



James R. Goff  
Staff Attorney



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

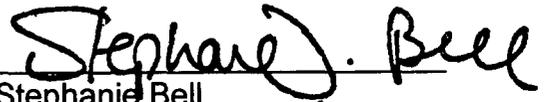
I.C.H. CORPORATION A/K/A GLENWOOD HALL )  
RESORT AND COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE LLC D/B/A )  
PERRY PARK RESORT )

\_\_\_\_\_ )  
ALLEGED VIOLATION OF KRS 278.020(4), )  
KRS 278.020(5), 278.160 AND COMMISSION )  
REGULATIONS 807 KAR 5:011, SECTION 2, )  
AND 807 KAR 5:011, SECTION 11 )

CASE NO.  
99-210

RECEIPT OF PAYMENT

This is to acknowledge receipt of one check in the amount of \$500.00, payable to Treasurer, Commonwealth of Kentucky, from Par-Tee LLC. This represents full payment of the penalty assessed against them in the above-styled action.



Stephanie Bell  
Secretary of the Commission  
Dated 2-3-2000

hv  
cc: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

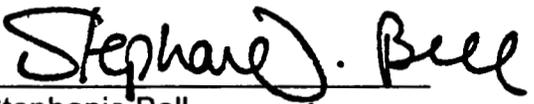
I.C.H. CORPORATION A/K/A GLENWOOD HALL )  
RESORT AND COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE LLC D/B/A )  
PERRY PARK RESORT )  
)  
)

CASE NO.  
99-210

\_\_\_\_\_)  
)  
ALLEGED VIOLATION OF KRS 278.020(4), )  
KRS 278.020(5), 278.160 AND COMMISSION )  
REGULATIONS 807 KAR 5:011, SECTION 2, )  
AND 807 KAR 5:011, SECTION 11 )

RECEIPT OF PAYMENT

This is to acknowledge receipt of one check in the amount of \$500.00, payable to Treasurer, Commonwealth of Kentucky, from ICH. This represents full payment of the penalty assessed against them in the above-styled action.



Stephanie Bell  
Secretary of the Commission  
Dated 2-3-2000

hv  
cc: Parties of Record



ICH  
CORPORATION

February 1, 2000

John A. Bicks  
*Executive Vice President  
and General Counsel*

**BY FEDERAL EXPRESS**

Office of General Counsel  
Public Service Commission of Kentucky  
730 Schenkel Lane  
Frankfort, KY 40602

**RECEIVED**

**FEB 2 2000**

**GENERAL COUNSEL**

Re: Case No. 99-210

Dear Sir or Madam:

Pursuant to the terms of the Order of the Public Service Commission dated January 26, 2000 in the above-referenced case, please find an ICH Corporation check in the amount of \$500.00 made payable to "Treasurer, Commonwealth of Kentucky". Please call me if you have any questions.

Very truly yours,

John A. Bicks

JAB:hs

Enclosure

cc: Katherine E. Yunker, Esq. (via facsimile)



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

January 26, 2000

To: All parties of record

RE: Case No. 1999-210

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie J. Bell".

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

Rhonda Craig  
Office Manager  
Perry Park Resort, Inc.  
595 Springport Ferry Road  
P. O. Box 147  
Perry Park, KY 40363

Mr. David Burdette  
45 Springport Road  
P. O. Box 116  
Perry Park, KY 40363

Honorable John A. Bicks  
Executive Vice President  
ICH Corporation  
780 Third Avenue  
43rd Floor  
New York, NY 10017

Honorable Stacey L. Graus  
Attorney at Law  
Adams, Brooking, Stepner, Woltermann  
& Dusing, P.L.L.C.  
40 West Pike Street  
P.O. Box 861  
Covington, KY 41012 0861

Honorable James G. Woltermann  
Attorney for Par-Tee, LLC  
d/b/a Perry Park Resort  
40 West Pike Street  
Covington, KY 41012

Honorable Marshall P. Eldred  
Attorney for ICH Corporation  
Brown, Todd & Heyburn PLLC  
400 W. Market Street, 32nd Floor  
Louisville, KY 40202

Honorable Katherine K. Yunker  
Counsel for ICH Corporation  
836 Euclid Avenue, Suite 301  
P. O. Box 21784  
Lexington, KY 40522 1784

Mr. Paul D. Minch  
P. O. Box 58  
Perry Park, KY 40363

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A GLENWOOD HALL )  
RESORT AND COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE LLC D/B/A )  
PERRY PARK RESORT )

\_\_\_\_\_ )  
ALLEGED VIOLATION OF KRS 278.020(4), )  
KRS 278.020(5), 278.160 AND COMMISSION )  
REGULATIONS 807 KAR 5:011, SECTION 2, )  
AND 807 KAR 5:011, SECTION 11 )

CASE NO.  
99-210

ORDER

On May 24, 1999, the Commission directed I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") and Par-Tee LLC d/b/a Perry Park Resort ("Par-Tee") to appear before it and show cause why they should not be penalized pursuant to KRS 278.990(1) for alleged violations of KRS Chapter 278 and Commission regulations. Following the commencement of this proceeding, ICH, Par-Tee, and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. The parties were unsuccessful in reaching a complete resolution of this matter, but were able to reach an agreement on the violation of KRS 278.020(4) and (5) and agreed that the remaining issues would be set for a hearing. A Settlement Agreement to that effect was entered by the parties on September 29, 1999. The Settlement Agreement was submitted for Commission approval and is appended hereto.

After reviewing the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of the violations of KRS 278.020(4) and (5), and is in the public interest. The Commission further finds that a hearing should be held on March 14, 2000 to resolve the remaining issues in this matter.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Within 10 days of the date of this Order, ICH and Par-tee shall each pay to the Commonwealth of Kentucky the sum of \$500.00. Payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

4. ICH and Par-Tee, through their representatives, shall appear before the Commission on March 14, 2000 at 9:30 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purposes of presenting evidence concerning the alleged willful violations of KRS 278.160 and Commission Regulation 807 KAR 5:011, Section 2; of showing cause, if any, why they should not be subject to the penalties prescribed in KRS 278.990(1) for

the alleged violations; and of showing cause, if any, why all monies collected for the hook-on to the Carroll County Water District's expansion line should not be refunded.

Done at Frankfort, Kentucky, this 26th day of January, 2000.

By the Commission

ATTEST:

  
Executive Director

**APPENDIX**  
**APPENDIX TO THE ORDER OF THE**  
**KENTUCKY PUBLIC SERVICE COMMISSION**  
**IN CASE NO. 99-210**  
**DATED JANUARY 26, 2000**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A )  
GLENWOOD HALL RESORT AND )  
COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE, LLC )  
D/B/A PERRY PARK RESORT )  
\_\_\_\_\_ ) CASE NO. 99-210  
)  
ALLEGED VIOLATION OF )  
KRS 278.020(4) AND (5), KRS 278.160, )  
AND COMMISSION REGULATIONS )  
807 KAR 5:011, SECTION 2, AND )  
807 KAR 5:011, SECTION 11 )

SETTLEMENT AGREEMENT

This settlement agreement is entered into by and between I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") and Par-Tee, LLC d/b/a Perry Park Resort ("Par-Tee") and the Staff of the Public Service Commission of Kentucky ("Staff").

WHEREAS, on July 21, 1999 an informal conference was held between Staff and representatives of ICH and Par-Tee for the purpose of discussing matters to aid in the disposition of this proceeding; and

WHEREAS, there are two separate and distinct issues involved in this case before the Commission; and

WHEREAS, ICH and Par-Tee and Staff have reached an agreement to settle the issue of the violation of KRS 278.020(4)(5), being the unauthorized transfer and acquisition of the subject utility between ICH and Par-Tee; and

WHEREAS, the remaining issue of the assessment charged to residents of Perry Park is to be considered in this case in further proceeding before the Commission;

NOW, THEREFORE, be it resolved and stipulated that:

1. ICH and Par-Tee each waive its right to a public hearing upon the violation of KRS 278.020(4)(5), which provides that no person shall transfer ownership or obtain control of any utility under the jurisdiction of the Commission without prior approval of the Commission.
2. There are no further facts to be submitted to the Commission by ICH and Par-Tee concerning the violation of KRS 278.020(4)(5).
3. ICH and Par-Tee are both in violation of KRS 278.020(4)(5).
4. ICH and Par-Tee agree to the imposition of a civil penalty for each in the amount of \$500.
5. Within 10 days after the approval of this settlement agreement by the Commission, ICH and Par-Tee, each, shall pay \$500 to the Kentucky State Treasurer by cashier's check.
6. This agreement is submitted for the purpose of this case only and is not to be deemed binding upon ICH or Par-Tee in any other proceeding, nor shall it be offered or relied upon in any other part of the proceeding involving ICH or Par-Tee.
7. This settlement agreement is subject to the approval of the Commission.

8. If the Commission fails to approve this agreement, ICH and Par-Tee reserve the right to withdraw from it and to proceed with the case. In such event, none of the matters contained in this settlement agreement shall be binding on any of the parties.

9. If this settlement agreement is adopted in its entirety by the Commission, this settlement agreement shall constitute a final adjudication of the issue of the violation of KRS 278.020(4)(5).

10. If this settlement agreement is accepted by the Commission, the parties shall not request a rehearing or file an appeal of the Order in Franklin Circuit Court.

**AGREED TO BY:**

I.C.H. CORPORATION

By *Therese K. Tucker*

Date 14 September 1999

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

*James R. Jagg*  
Staff Attorney  
Public Service Commission of Kentucky

Date 9-29-99

**HAVE SEEN AND AGREED TO:**

\_\_\_\_\_  
David Burdette

Date \_\_\_\_\_

\_\_\_\_\_  
Paul D. Minch

Date \_\_\_\_\_

8. If the Commission fails to approve this agreement, ICH and Par-Tee reserve the right to withdraw from it and to proceed with the case. In such event, none of the matters contained in this settlement agreement shall be binding on any of the parties.

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**AGREED TO BY:**

I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Staff Attorney  
Public Service Commission of Kentucky

**HAVE SEEN AND AGREED TO:**

  
\_\_\_\_\_  
David Burdette

Date 08-16-99

\_\_\_\_\_  
Paul D. Minch

Date \_\_\_\_\_

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I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Staff Attorney  
Public Service Commission of Kentucky

**HAVE SEEN AND AGREED TO:**

Date \_\_\_\_\_

\_\_\_\_\_  
David Burdette

*Paul D Minch*  
\_\_\_\_\_  
Paul D. Minch

Date 8-17-99

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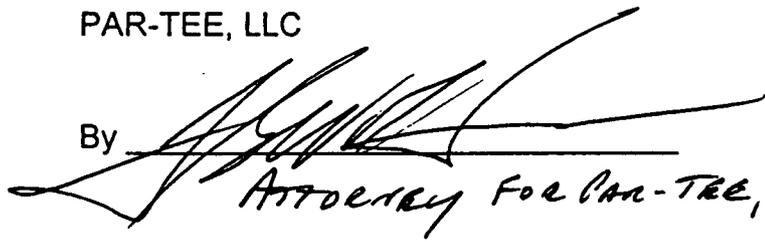
**AGREED TO BY:**

I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By  \_\_\_\_\_  
*ATTORNEY FOR PAR-TEE, LLC*

Date 9/27/99

\_\_\_\_\_  
Staff Attorney  
Public Service Commission of Kentucky

Date \_\_\_\_\_

**HAVE SEEN AND AGREED TO:**

\_\_\_\_\_  
David Burdette

Date \_\_\_\_\_

\_\_\_\_\_  
Paul D. Minch

Date \_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 25 2000

PUBLIC SERVICE  
COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A )  
GLENWOOD HALL RESORT AND )  
COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE, LLC )  
D/B/A PERRY PARK RESORT )

CASE NO. 99-210

\_\_\_\_\_)  
ALLEGED VIOLATION OF )  
KRS 278.020(4) AND (5), KRS 278.160, )  
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WHEREAS, on July 21, 1999 an informal conference was held between Staff and representatives of ICH and Par-Tee for the purpose of discussing matters to aid in the disposition of this proceeding; and

WHEREAS, there are two separate and distinct issues involved in this case before the Commission; and

WHEREAS, ICH and Par-Tee and Staff have reached an agreement to settle the issue of the violation of KRS 278.020(4)(5), being the unauthorized transfer and acquisition of the subject utility between ICH and Par-Tee; and

WHEREAS, the remaining issue of the assessment charged to residents of Perry Park is to be considered in this case in further proceeding before the Commission;

NOW, THEREFORE, be it resolved and stipulated that:

1. ICH and Par-Tee each waive its right to a public hearing upon the violation of KRS 278.020(4)(5), which provides that no person shall transfer ownership or obtain control of any utility under the jurisdiction of the Commission without prior approval of the Commission.

2. There are no further facts to be submitted to the Commission by ICH and Par-Tee concerning the violation of KRS 278.020(4)(5).

3. ICH and Par-Tee are both in violation of KRS 278.020(4)(5).

4. ICH and Par-Tee agree to the imposition of a civil penalty for each in the amount of \$500.

5. Within 10 days after the approval of this settlement agreement by the Commission, ICH and Par-Tee, each, shall pay \$500 to the Kentucky State Treasurer by cashier's check.

6. This agreement is submitted for the purpose of this case only and is not to be deemed binding upon ICH or Par-Tee in any other proceeding, nor shall it be offered or relied upon in any other part of the proceeding involving ICH or Par-Tee.

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10. If this settlement agreement is accepted by the Commission, the parties shall not request a rehearing or file an appeal of the Order in Franklin Circuit Court.

**AGREED TO BY:**

I.C.H. CORPORATION

By     *Faraine K. Tucker*    

Date     14 September 1999    

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

    *James R. [Signature]*      
Staff Attorney  
Public Service Commission of Kentucky

Date     9-29-99    

**HAVE SEEN AND AGREED TO:**

\_\_\_\_\_  
David Burdette

Date \_\_\_\_\_

\_\_\_\_\_  
Paul D. Minch

Date \_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
JAN 25 2000  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A )  
GLENWOOD HALL RESORT AND )  
COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE, LLC )  
D/B/A PERRY PARK RESORT )

CASE NO. 99-210

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**AGREED TO BY:**

I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Staff Attorney  
Public Service Commission of Kentucky

**HAVE SEEN AND AGREED TO:**

  
\_\_\_\_\_  
David Burdette

Date 08-16-99

\_\_\_\_\_  
Paul D. Minch

Date \_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
JAN 25 2000  
GENERAL COUNSEL  
PUBLIC SERVICE COMMISSION  
JR

In the Matter of:

I.C.H. CORPORATION A/K/A )  
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PARK RESORT AND PAR-TEE, LLC )  
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**AGREED TO BY:**

I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Staff Attorney  
Public Service Commission of Kentucky

Date \_\_\_\_\_

**HAVE SEEN AND AGREED TO:**

\_\_\_\_\_  
David Burdette

Date \_\_\_\_\_

*Paul D Minch*  
\_\_\_\_\_  
Paul D. Minch

Date 8-17-99

RECEIVED

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

SEP 28 1999

GENERAL COUNSEL

In the Matter of:

I.C.H. CORPORATION A/K/A )  
GLENWOOD HALL RESORT AND )  
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CASE NO. 99-210

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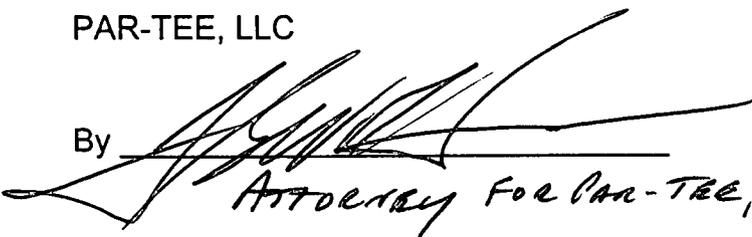
**AGREED TO BY:**

I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By  \_\_\_\_\_  
*ATTORNEY FOR PAR-TEE, LLC*

Date 9/27/99

\_\_\_\_\_  
Staff Attorney  
Public Service Commission of Kentucky

Date \_\_\_\_\_

**HAVE SEEN AND AGREED TO:**

\_\_\_\_\_  
David Burdette

Date \_\_\_\_\_

\_\_\_\_\_  
Paul D. Minch

Date \_\_\_\_\_

KATHERINE K. YUNKER  
ATTORNEY-AT-LAW

836 Euclid Ave  
P.O. Box 21784  
Lexington, KY 40522-1784

FILE COPY

606-266-0415  
FAX: 606-266-3012  
yunker@desuetude.com

September 14, 1999  
VIA UPS

RECEIVED

SEP 15 1999

PUBLIC SERVICE  
COMMISSION

Helen C. Helton, Executive Director  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Re: Case No. 99-210 filing

Dear Ms. Helton:

Enclosed please find the original and twelve (12) copies of an Affidavit, Waiver, and Acknowledgement to be filed on behalf of ICH Corporation, a party to the above-referenced Commission proceeding. Please stamp the additional copy provided with the date of receipt/filing and returned the stamped copy in the enclosed self-addressed, postage prepaid envelope.

Thank you for your attention to this matter.

Sincerely,



Katherine K. Yunker

cc: Anita Mitchell, Esq.  
James R. Goff, Esq.  
John A. Bicks, Esq.  
Marshall P. Eldred, Jr., Esq.  
James G. Woltermann, Esq.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

original

In the Matter of:

I.C.H. CORPORATION A/K/A GLENWOOD )  
HALL RESORT AND COUNTRY CLUB )  
A/K/A PERRY PARK RESORT AND PAR- )  
TEE LLC D/B/A PERRY PARK RESORT )

Case No. 99-210

RECEIVED

SEP 15 1999

PUBLIC SERVICE  
COMMISSION

ALLEGED VIOLATION OF KRS 278.020(4) )  
AND (5), KRS 278.160, AND COMMISSION )  
REGULATIONS 807 KAR 5:011, SECTION 2 )  
AND 807 KAR 5:011, SECTION 11 )

**Affidavit, Waiver, and Acknowledgement**

This Affidavit, Waiver, and Acknowledgement is submitted to the Kentucky Public Service Commission ("PSC") by ICH Corporation ("ICH") regarding monies collected, to be collected, or accruing for water or sewer service furnished to the public at Perry Park Resort, Owen County, Kentucky, from August 1, 1998, to the date that the PSC approves the transfer of the furnishing water and sewer utilities from ICH to Par-Tee, LLC ("Par-Tee") and the adoption of the respective tariffs by Par-Tee:

1. After being duly sworn, the undersigned states that ICH has not collected, received, or obtained monies paid for water or sewer service furnished on or after August 1, 1998.
2. ICH waives any right it may have to collect, receive, or obtain monies paid, accrued, or accruing for water or sewer service furnished on or after August 1, 1998.
3. ICH acknowledges that any monies which have been or will be collected for water or sewer service furnished to the public from August 1, 1998, to the date that the PSC

approves the transfer of the furnishing water and sewer utilities and the adoption of the respective tariffs by Par-Tee, are the property of Par-Tee.

  
\_\_\_\_\_  
JOHN A. BICKS  
Executive Vice President, ICH Corporation

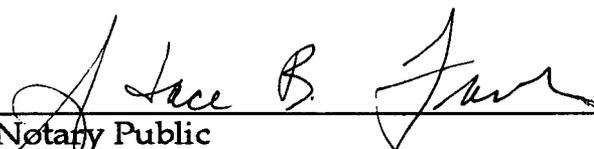
State of NEW YORK                    )  
  )  
County of NEW YORK                )

SCT.

Subscribed and sworn to before me this 13<sup>th</sup> day of September, 1999, by JOHN A. BICKS, Executive Vice President, ICH Corporation.

My Commission expires \_\_\_\_\_.

STACE B. FRANK  
Notary Public, State of New York  
No. 4987712  
Qualified in Nassau County  
My Commission Expires Oct. 21, 1999

  
\_\_\_\_\_  
Notary Public

**CERTIFICATE OF SERVICE**

I hereby certify that on this the 14<sup>th</sup> day of September, 1999, a copy of the foregoing Affidavit, Waiver, and Acknowledgement has been served, by first-class U.S. Mail, postage prepaid, on the following persons:

James G. Woltermann, Esq.  
Stacey L. Graus, Esq.  
ADAMS, BROOKING, STEPNER, WOLTERMANN  
& DUSING, P.L.L.C.  
40 West Pike Street  
P.O. Box 861  
Covington, KY 41012-0861  
ATTORNEYS FOR PAR-TEE, LLC  
D/B/A PERRY PARK RESORT

  
\_\_\_\_\_  
ATTORNEY FOR ICH CORPORATION

**ADAMS, STEPNER, WOLTERMANN & DUSING,  
P.L.L.C.**

*Attorneys and Counselors at Law*

DONALD L. STEPNER \* MARY ANN STEWART \*  
JAMES G. WOLTERMANN \* WESTON W. WORTHINGTON  
GERALD F. DUSING LORI A. SCHLARMAN \*  
MICHAEL M. SKETCH SCOTT M. GUENTHER  
DENNIS R. WILLIAMS ROBERT D. DILTS \*  
JAMES R. KRUER \* CATHERINE D. STAVROS \*  
JEFFREY C. MANDO \* JEFFREY A. STEPNER \*  
MARC D. DIETZ \* JENNIFER L. LANGEN \*  
STACEY L. GRAUS \*

40 WEST PIKE STREET

P.O. BOX 861

COVINGTON, KENTUCKY 41012-0861

AREA CODE 606-291-7270

FAX 606-291-7902

OF COUNSEL  
R. JEFFREY SCHLOSSER

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P.O. BOX 576  
FLORENCE, KENTUCKY 41012-0576  
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FAX 606-371-8341

1850 FEDERATED BUILDING  
7 WEST SEVENTH STREET  
CINCINNATI, OHIO 45202-2417  
AREA CODE 513-241-7460

\* ALSO ADMITTED IN OHIO

CHARLES S. ADAMS (1906-1971)  
C. GORDON WALKER (1911-1967)

August 30, 1999

Helen C. Helton, Executive Director  
Public Service Commission  
730 Schenkel Lane  
P. O. Box 615  
Frankfort, KY 40602

**RE: CASE NO. 99-210**

Dear Ms. Helton:

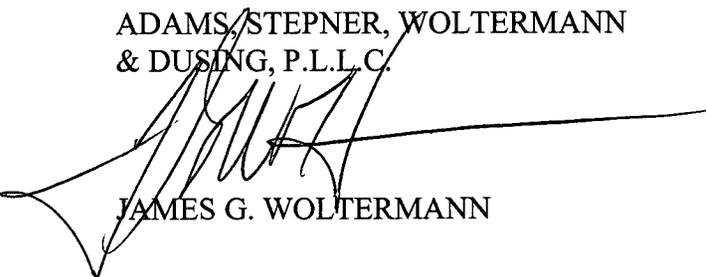
Enclosed herewith for filing with the Public Service Commission, please find thirteen (13) copies of our Supplemental Information Addendum for Application for Approval of Transfer of Utilities.

Thank you for filing this with the Public Service Commission and returning a file-stamped copy to me in the enclosed, self-addressed envelope.

If you have any questions, please feel free to give me a call.

Very truly yours,

ADAMS, STEPNER, WOLTERMANN  
& DUSING, P.L.L.C.

  
JAMES G. WOLTERMANN

JGW:saw  
Enclosures

cc: Katherine K. Yunker

RECEIVED  
SEP 02 1999  
PUBLIC SERVICE  
COMMISSION

**SUPPLEMENTAL INFORMATION ADDENDUM  
FOR APPLICATION FOR APPROVAL  
OF TRANSFER OF UTILITIES**

**RECEIVED**  
SEP 02 1999  
PUBLIC SERVICE  
COMMISSION

**NAME OF APPLICANT:** PAR-TEE, LLC d/b/a PERRY PARK RESORT

**ADDRESS:** 595 Springport Ferry Road  
P.O. Box 147  
Perry Park, KY 40363

**NAME OF TRANSFEROR:** ICH CORPORATION

**ADDRESS:** 9255 Towne Centre Drive  
San Diego, California 92121

**UTILITIES AFFECTED:** WATER AND SEWER SERVICE FOR PERRY PARK  
RESORT RESIDENTS LOCATED IN OWEN  
COUNTY, KENTUCKY

Par-Tee, LLC submits this supplemental information to its application for approval of transfer of utilities submitted to the Public Service Commission on July 23, 1999.

Par-Tee, LLC employs two (2) licensed operators to manage and run the Perry Park Water and Sewer Utilities:

1. William Todd Ramsey,  
Class IV A Water Treatment, Certification Number 06001  
Class III Distribution, Certification Number 00560  
Class III Wastewater, Certification Number 07081
2. Lance Bean,  
Class III A Treatment, Certification Number 00759  
Class BD Distribution, Certification Number 00634

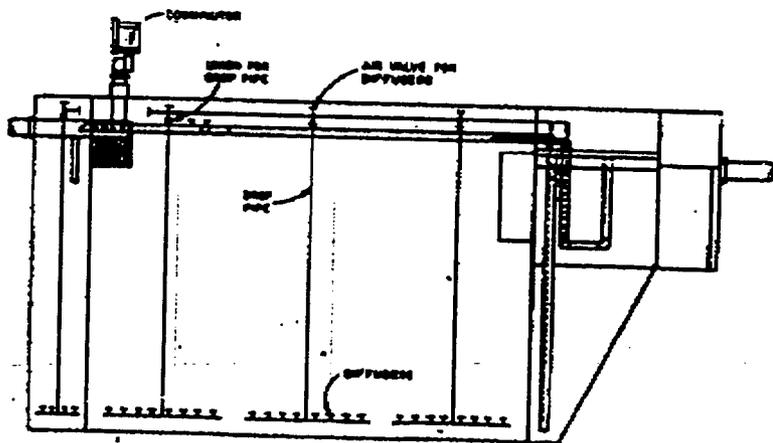
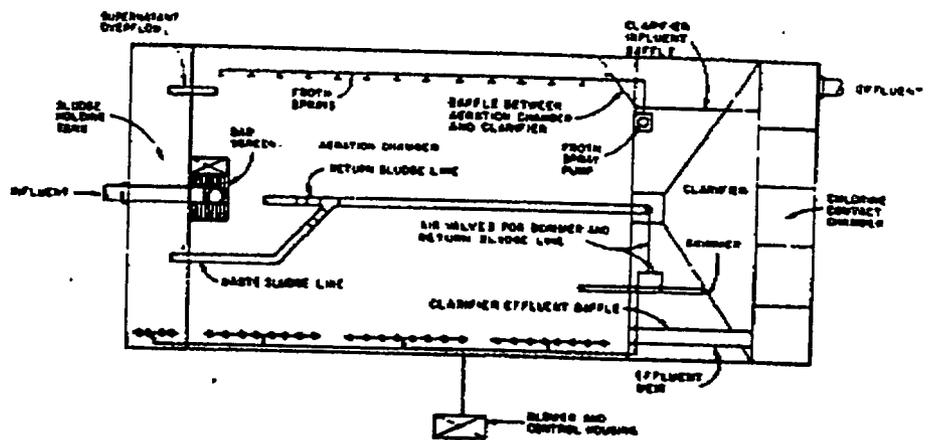
The water utility is a well treatment facility producing sixty thousand (60,000) gallons per day. The water treatment plant number is PWSID 0940651. The technique utilized to produce drinking water is flocculation, sedimentation, filtration, and chlorination. The facility is operated eight (8) hours per day by one operator. Todd Ramsey oversees operation of the facility two (2) days per week. Lance Bean operates the facility two (2) days per week. Marvin Cull operates the facility five (5) times a week

under Todd Ramsey's certification. The United States Environmental Protection Agency and the Kentucky Department of Water are aware of this staffing arrangement.

The wastewater treatment plant treats approximately twenty-five thousand (25,000) gallons of sewage per day. The discharge permit number from the Department of water is KY 0087661. Todd Ramsey is in charge of the operation of the wastewater treatment facilities. Attached is a diagram of the sludge treatment package plant.

A third party guarantee in the form of a surety bond is being prepared and will be filed when received.

30629V1



Basic units of a package extended aeration wastewater treatment plant.



COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
730 SCHENKEL LANE  
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FRANKFORT, KENTUCKY 40602  
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Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

August 11, 1999

Ms. Katherine K. Yunker  
836 Euclid Avenue, Suite 301  
P. O. Box 21784  
Lexington, Kentucky 40522-1784

Mr. James G. Woltermann  
Mr. Tom Fisher  
Adams, Brooking, Stepner, Woltermann & Dusing  
40 West Pike Street  
Covington, Kentucky 41011

Mr. Marshall P. Eldred, Jr.  
Brown, Todd & Heyburn  
400 West Market Street  
Louisville, Kentucky 40202

Mr. David Burdette  
P. O. Box 116  
Perry Park, Kentucky 40363

Mr. Paul D. Minch  
President PPROA  
P. O. Box 58  
Perry Park, Kentucky 40363

Re: Case No. 99-210

Dear Ms. Yunker and Gentlemen:

Due to the fact that the informal conference was held prior to the granting of intervention of the two individuals, but not completed before intervention was granted and they were made parties, I believe that it is necessary to get all parties' signatures



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

PAGE 2  
August 11, 1999  
RE: Settlement Agreement 99-210

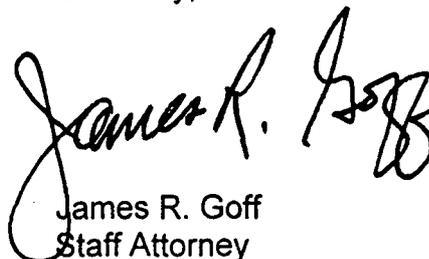
on the settlement agreement. Therefore, I have included a signature line for each party on the agreement for approval.

This Settlement Agreement only concerns the transfer of the utility between ICH and Par-Tee and the civil penalty imposed by the Commission for the violation of the regulation. It does not settle the issue of the funds collected for the water line extension or improvement. That matter is still before the Commission and subject to a hearing.

The signing of this Settlement Agreement will remove one issue from the case and speed the disposition of the issue of the water line extension or improvement collections.

I have included two copies of the agreement. Please sign one at the appropriate place and return it to me in the attached envelope. Keep the other for your records. Please do this as soon as possible. You will receive a copy of the Commissioner's Order in this matter, when it is entered. If you have any questions please call me at 502-564-3940 ext. 261.

Sincerely,



James R. Goff  
Staff Attorney

JRG/rst  
cc: file



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A	)	
GLENWOOD HALL RESORT AND	)	
COUNTRY CLUB A/K/A PERRY	)	
PARK RESORT AND PAR-TEE, LLC	)	
D/B/A PERRY PARK RESORT	)	
_____	)	CASE NO. 99-210
	)	
ALLEGED VIOLATION OF	)	
KRS 278.020(4) AND (5), KRS 278.160,	)	
AND COMMISSION REGULATIONS	)	
807 KAR 5:011, SECTION 2, AND	)	
807 KAR 5:011, SECTION 11	)	

SETTLEMENT AGREEMENT

This settlement agreement is entered into by and between I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") and Par-Tee, LLC d/b/a Perry Park Resort ("Par-Tee") and the Staff of the Public Service Commission of Kentucky ("Staff").

WHEREAS, on July 21, 1999 an informal conference was held between Staff and representatives of ICH and Par-Tee for the purpose of discussing matters to aid in the disposition of this proceeding; and

WHEREAS, there are two separate and distinct issues involved in this case before the Commission; and

WHEREAS, ICH and Par-Tee and Staff have reached an agreement to settle the issue of the violation of KRS 278.020(4)(5), being the unauthorized transfer and acquisition of the subject utility between ICH and Par-Tee; and

WHEREAS, the remaining issue of the assessment charged to residents of Perry Park is to be considered in this case in further proceeding before the Commission;

NOW, THEREFORE, be it resolved and stipulated that:

1. ICH and Par-Tee each waive its right to a public hearing upon the violation of KRS 278.020(4)(5), which provides that no person shall transfer ownership or obtain control of any utility under the jurisdiction of the Commission without prior approval of the Commission.

2. There are no further facts to be submitted to the Commission by ICH and Par-Tee concerning the violation of KRS 278.020(4)(5).

3. ICH and Par-Tee are both in violation of KRS 278.020(4)(5).

4. ICH and Par-Tee agree to the imposition of a civil penalty for each in the amount of \$500.

5. Within 10 days after the approval of this settlement agreement by the Commission, ICH and Par-Tee, each, shall pay \$500 to the Kentucky State Treasurer by cashier's check.

6. This agreement is submitted for the purpose of this case only and is not to be deemed binding upon ICH or Par-Tee in any other proceeding, nor shall it be offered or relied upon in any other part of the proceeding involving ICH or Par-Tee.

7. This settlement agreement is subject to the approval of the Commission.

8. If the Commission fails to approve this agreement, ICH and Par-Tee reserve the right to withdraw from it and to proceed with the case. In such event, none of the matters contained in this settlement agreement shall be binding on any of the parties.

9. If this settlement agreement is adopted in its entirety by the Commission, this settlement agreement shall constitute a final adjudication of the issue of the violation of KRS 278.020(4)(5).

10. If this settlement agreement is accepted by the Commission, the parties shall not request a rehearing or file an appeal of the Order in Franklin Circuit Court.

**AGREED TO BY:**

I.C.H. CORPORATION

By \_\_\_\_\_

Date \_\_\_\_\_

PAR-TEE, LLC

By \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

Staff Attorney  
Public Service Commission of Kentucky

**HAVE SEEN AND AGREED TO:**

\_\_\_\_\_

Date \_\_\_\_\_

David Burdette

\_\_\_\_\_

Date \_\_\_\_\_

Paul D. Minch

KATHERINE K. YUNKER  
ATTORNEY-AT-LAW

836 Euclid Ave  
P.O. Box 21784  
Lexington, KY 40522-1784

606-266-0415  
FAX: 606-266-3012  
yunker@desuetude.com

July 30, 1999

Helen C. Helton, Executive Director  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Re: Case No. 99-210

Dear Ms. Helton:

These are comments regarding the contents of the informal conference memorandum prepared by Commission staff attorney Anita Mitchell and enclosed in your letter dated July 26, 1999. I attended the informal conference on behalf of ICH Corporation ("ICH"), a party to the above-referenced Public Service Commission case.

- I concur with the comments made by James G. Woltermann, counsel for Par-Tee, LLC ("Par-Tee") in his letter dated July 29, 1999. In particular: (1) Nothing at the informal conference suggested that ICH turned over any monies to the Carroll County Water District ("CCWD"); documents provided by Par-Tee indicated that a representative of the Perry Park Resort Owners Association and a representative of Par-Tee jointly withdrew \$69,000 from an escrow account to pay to CCWD and that Par-Tee itself provided to CCWD an additional \$31,000. (2) None of those present — not for ICH, Par-Tee, or the Commission staff — voiced a conclusion that there had been violations of Commission statutes or regulations in the collection of amounts paid to CCWD; documents and other information provided at the informal conference supported a conclusion there had been no such violations.
- The third-to-last sentence in the informal conference memorandum reads: "It was agreed that Par-Tee and ICH would file with the Commission a proper application for transfer." I recall no agreement of that nature on behalf of ICH. My recollection is that Commission staff attorney J.R. Goff mentioned ways in which Par-Tee might submit information showing its financial, technical, and managerial ability to run the utilities, but without filing an application *per se*.

ICH is willing to do what is necessary or helpful to secure Commission approval of the transfer. From discussions with Ms. Mitchell and counsel for Par-Tee, I under-

PUBLIC SERVICE COMMISSION  
AUG 02 1999

Helen C. Helton, Executive Director

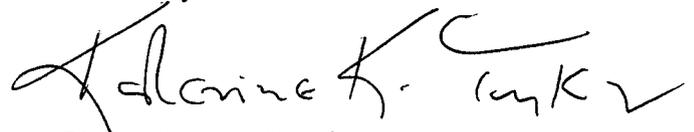
July 30, 1999

Page 2

stand that Par-Tee has filed an application for approval of its acquisition of ownership and control of the utilities. Once ICH has had an opportunity to review the application filed by Par-Tee, it may join in that application or otherwise supplement the record regarding the transfer.

I have enclosed twelve (12) additional copies of this letter, in case they are needed for staff or Commission members. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Katherine K. Yunker". The signature is fluid and cursive, with a large initial "K" and a checkmark-like flourish at the end.

Katherine K. Yunker

cc: Anita Marshall, Esq.  
Marshall P. Eldred, Jr., Esq.  
James G. Woltermann, Esq.



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

August 2, 1999

To: All parties of record

RE: Case No. 99-210

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

Rhonda Craig  
Office Manager  
Perry Park Resort, Inc.  
595 Springport Ferry Road  
P. O. Box 147  
Perry Park, KY 40363

Mr. David Burdette  
45 Springport Road  
P. O. Box 116  
Perry Park, KY 40363

Honorable John A. Bicks  
Executive Vice President  
ICH Corporation  
780 Third Avenue  
43rd Floor  
New York, NY 10017

Honorable Stacey L. Graus  
Attorney at Law  
Adams, Brooking, Stegner, Woltermann  
& Dusing, P.L.L.C.  
40 West Pike Street  
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Honorable James G. Woltermann  
Attorney for Par-Tee, LLC  
d/b/a Perry Park Resort  
40 West Pike Street  
Covington, KY 41012

Honorable Marshall P. Eldred  
Attorney for ICH Corporation  
Brown, Todd & Heyburn PLLC  
400 W. Market Street, 32nd Floor  
Louisville, KY 40202

Honorable Katherine K. Yunker  
Counsel for ICH Corporation  
836 Euclid Avenue, Suite 301  
P. O. Box 21784  
Lexington, KY 40522 1784

Mr. Paul D. Minch  
P. O. Box 58  
Perry Park, KY 40363

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A GLENWOOD )  
HALL RESORT AND COUNTRY CLUB )  
A/K/A PERRY PARK RESORT AND )  
PAR-TEE LLC D/B/A PERRY PARK RESORT )  
\_\_\_\_\_ ) CASE NO. 99-210  
)  
ALLEGED VIOLATION OF KRS 278.020(4) )  
AND (5) KRS 278.160 AND COMMISSION )  
REGULATIONS 807 KAR 5:011, SECTION 2 )  
AND 807 KAR 5:011, SECTION 11 )

O R D E R

On May 5, 1999, the Commission issued an Order directing I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") and Par-Tee, LLC d/b/a Perry Park Resort ("Par-Tee") to file a response and any request for an informal conference with the Commission within 20 days from the date of the Order. Both ICH and Par-Tee filed a response to the show cause Order and requested an informal conference.

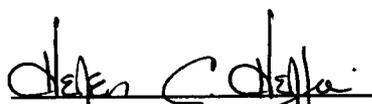
By Order dated July 14, 1999, the Commission set an informal conference for all parties then of record to be held on July 21, 1999. After considering the record of this case, the Commission finds that intervention has been granted since the date of the informal conference and that the hearing scheduled for August 5, 1999, should be continued.

IT IS THEREFORE ORDERED that the public hearing set for August 5, 1999 for this case, is continued generally until further Orders of the Commission.

Done at Frankfort, Kentucky, this 2nd day of August, 1999.

By the Commission

ATTEST:

  
Executive Director

ADAMS, STEPNER, WOLTERMANN & DUSING,  
P.L.L.C.

*Attorneys and Counselors at Law*

DONALD L. STEPNER • STACEY L. GRAUS •  
JAMES G. WOLTERMANN • MARY ANN STEWART •  
GERALD F. DUSING • WESTON W. WORTHINGTON •  
MICHAEL M. SKETCH • LORI A. SCHLARMAN •  
DENNIS R. WILLIAMS • SCOTT M. GUENTHER •  
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JEFFREY C. MANDO • JEFFREY A. STEPNER •  
MARC D. DIETZ • JENNIFER L. LANGEN •

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AREA CODE 606-291-7270

FAX 606-291-7902

• ALSO ADMITTED IN OHIO

CHARLES S. ADAMS (1906-1971)  
C. GORDON WALKER (1911-1967)

JUL 30 1999

PUBLIC SERVICE  
COMMISSION

OF COUNSEL  
R. JEFFREY SCHLOSSER

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P.O. BOX 576  
FLORENCE, KENTUCKY 41012-0576  
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1850 FEDERATED BUILDING  
7 WEST SEVENTH STREET  
CINCINNATI, OHIO 45202-2417  
AREA CODE 513-241-7460

July 29, 1999

**Via: Telefacsimile (502) 564-1582**

Helen C. Helton  
Executive Director  
Commonwealth of Kentucky  
**PUBLIC SERVICE COMMISSION**  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, Kentucky 40602

**Re: Case No 99-210**

Dear Ms. Helton,

I am in receipt of the Public Service Commission's Inter-Agency Memorandum memorializing the informal conference between Par-Tee, LLC ("Par-Tee"), ICH Corporation ("ICH") and the staff of the Public Service Commission on July 21, 1999 regarding case No. 99-210. I agree with the majority of the contents of the memorandum, but would like to propose the following alternative language:

1. Page 2, paragraph 3 states that ICH turned over Sixty-nine Thousand Dollars (\$69,000) to the Carroll County Water District ("CCWD"). Par-Tee purchased, as an asset, ICH's ownership in a joint account with the Perry Park Resident Owner's Association ("PPROA"). The value of the joint account was approximately Sixty-nine Thousand Dollars at the time of the transfer. Par-Tee and the PPROA then transferred Sixty-nine Thousand Dollars (\$69,000) from the joint account to the CCWD. Par-Tee then expended Thirty-one Thousand Dollars (\$31,000) of its own funds to complete the One Hundred Thousand Dollar (\$100,000) payment to CCWD. I propose that the sentence, "It was noted that ICH turned over \$69,000 and Par-Tee \$31,000." be struck from the memorandum. In its place I suggest the following language: "Par-Tee purchased ICH's interest

Helen C. Helton  
Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
July 29, 1999  
Page 2

in a joint bank account with the PPROA. Par-Tee and the PPROA then transferred Sixty-nine Thousand Dollars to the CCWD. At the same time Par Tee transferred Thirty-one Thousand Dollars (\$31,000) of its own funds to CCWD to pay the One Hundred Thousand Dollars (\$100,000) connection fee.”

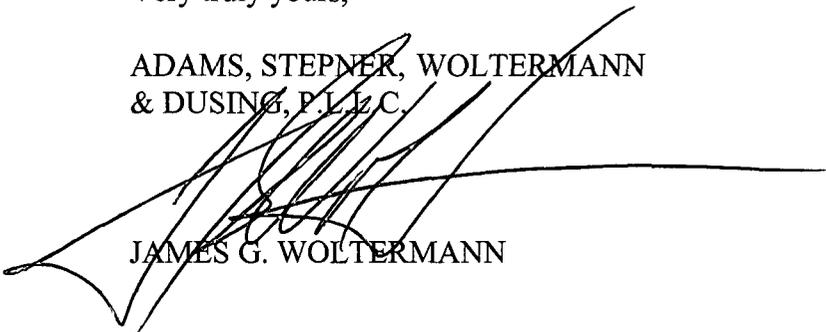
2. Page 2, Paragraph 3 states, “Commission Staff questioned both Par-Tee and ICH with regard to how the assessment was being charged and who was actually doing the billing and collecting. Neither Par-Tee nor ICH could provide a definitive response.” Par-Tee provided documentation establishing that the notices for the CCWD connection fee were sent jointly by ICH (d/b/a Perry Park Resort, Inc.) and the PPROA. The witnesses further explained that the notices were sent through the billing system of Perry Park Resort, Inc. (ICH and after July 31, 1998 as Par-Tee) because the PPROA did not have the resources to send such a notice to all the residents. The Commission Staff had concerns as to whether or not the PPROA had actually authorized this billing. Based on this understanding of the discussion of this issue I propose that the sentence, “Neither Par-Tee nor ICH could provide a definitive response.” be struck. In its place I suggest the following language: “Par-Tee provided documentation that the bills were issued and collected through the Perry Park Resort, Inc. billing system for all times in question. These notices included the name of the PPROA and some of its members. Neither Par-Tee nor ICH could provide a definitive response as to whether or not the PPROA authorized the billing and collection of fees to connect to the CCWD.”
3. Pages 2-3, Paragraph 4 states, “Staff instructed the participants that this settlement would not include the Commission’s action against ICH and Par-Tee for their violations of KRS 278.160 and 807 KAR 5:011, Section 2 for collecting an untariffed assessment from the residents to hook on to CCWD.” It is Par-Tee’s understanding that there has been no final determination as to whether it or ICH has violated KRS 278.160 and 807 KAR 5:011, Section 2. I propose that the word “alleged” be inserted between the words “their” and “violations” in this sentence.

Helen C. Helton  
Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
July 29, 1999  
Page 3

Please contact us if you have any questions or comments regarding the proposed language. Thank you in advance for your attention to this matter.

Very truly yours,

ADAMS, STEPNER, WOLTERMANN  
& DUSING, P.L.L.C.



JAMES G. WOLTERMANN

JGW:saw

cc: Katherine K. Yunker via Telefacsimile (606) 266-3012



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

July 29, 1999

To: All parties of record

RE: Case No. 99-210

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

Rhonda Craig  
Office Manager  
Perry Park Resort, Inc.  
595 Springport Ferry Road  
P. O. Box 147  
Perry Park, KY 40363

Mr. David Burdette  
45 Springport Road  
P. O. Box 116  
Perry Park, KY 40363

Honorable John A. Bicks  
Executive Vice President  
ICH Corporation  
780 Third Avenue  
43rd Floor  
New York, NY 10017

Honorable Stacey L. Graus  
Attorney at Law  
Adams, Brooking, Stepner, Woltermann  
& Dusing, P.L.L.C.  
40 West Pike Street  
P.O. Box 861  
Covington, KY 41012 0861

Honorable James G. Woltermann  
Attorney for Par-Tee, LLC  
d/b/a Perry Park Resort  
40 West Pike Street  
Covington, KY 41012

Honorable Marshall P. Eldred  
Attorney for ICH Corporation  
Brown, Todd & Heyburn PLLC  
400 W. Market Street, 32nd Floor  
Louisville, KY 40202

Honorable Katherine K. Yunker  
Counsel for ICH Corporation  
836 Euclid Avenue, Suite 301  
P. O. Box 21784  
Lexington, KY 40522 1784

Mr. Paul D. Minch  
P. O. Box 58  
Perry Park, KY 40363

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A GLENWOOD HALL )  
RESORT AND COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE LLC D/B/A )  
PERRY PARK RESORT )

\_\_\_\_\_ )

) CASE NO. 99-210

)  
)  
)  
ALLEGED VIOLATION OF KRS 278.020(4) )  
AND (5), KRS 278.160, AND COMMISSION )  
REGULATIONS 807 KAR 5:011, SECTION 2 )  
AND 807 KAR 5:011, SECTION 11 )

O R D E R

This matter arising upon the motions for intervention of Paul D. Minch and David Burdette (hereinafter referred to as "Petitioners"), and it appearing to the Commission that Petitioners have not requested full intervention and that limited intervention will not unduly delay or disrupt the proceedings or prejudice the rights of the original parties, and this Commission being otherwise sufficiently advised,

IT IS HEREBY ORDERED that:

1. The motions of Petitioners to intervene are granted.
2. Each Petitioner shall be entitled to the full rights of a party and shall be served with the Commission's Orders, but shall not be served with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties and shall not be

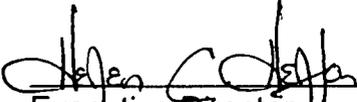
certified as a party for the purpose of receiving service of any petitions for rehearing or petition for judicial review.

3. Should either Petitioner file documents of any kind with the Commission in the course of these proceedings, said Petitioner shall also serve a copy of said documents on all other parties of record.

Done at Frankfort, Kentucky, this 29th day of July, 1999.

By the Commission

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-1582

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

July 26, 1999

Ms. Katherine K. Yunker  
836 Euclid Avenue, Suite 301  
P.O. Box 21784  
Lexington, Kentucky 40522-1784

Mr. James G. Woltermann  
Mr. Tom Fisher  
Adams, Brooking, Stepner, Woltermann & Dusing  
40 West Pike Street  
Covington, Kentucky 41011

Mr. Marshall P. Eldred, Jr.  
Brown, Todd & Heyburn  
400 W. Market Street  
Louisville, Kentucky 40202

Re: Case No. 99-210

Dear Ms. Yunker and Gentlemen:

Attached is a copy of the memorandum which is being filed into the record of the above-referenced case. If you have any comments that you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. Should you have any questions regarding same, please contact Anita Mitchell at (502) 564-3940.

Sincerely,

Helen C. Helton  
Executive Director

alm  
Attachment



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

**INTRA-AGENCY MEMORANDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File No. 99-210  
**FROM:** Anita Mitchell  
Staff Attorney  
**DATE:** July 23, 1999  
**RE:** Conference of July 21, 1999

**FILED**  
JUL 26 1999  
PUBLIC SERVICE  
COMMISSION

On July 21, 1999, the Commission held a conference in this case at the Commission's offices in Frankfort, Kentucky. Present were:

Katherine K. Yunker	-	ICH Corporation
Jim Woltermann	-	Par-Tee
Tom Fisher	-	Par-Tee
James Berling	-	Par-Tee
Greg Martini	-	Par-Tee
Rhonda Craig	-	Par-Tee
Mark Seibert	-	Par-Tee
Scott Lawless	-	PSC
Brent Kirtley	-	PSC
Mark C. Frost	-	PSC
James Rice	-	PSC
J.R. Goff	-	PSC
Anita Mitchell	-	PSC

By its Order of July 14, 1999, the Commission ordered that a conference be convened to consider any matter which would aid in the disposition of the proceeding.

Beginning the conference, Mr. Goff explained the procedure and stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of the minutes would be provided to all parties and that all parties would be given an opportunity to submit written comments upon the minutes.

Mr. Woltermann began the discussion by acknowledging that Par-Tee had not sought approval to acquire the utilities from ICH, but stated that it does have the

financial<sup>1</sup>, technical and managerial ability to run the utilities and has done so appropriately and efficiently. In an effort to establish that Par-Tee's actions were not willful and that it had no intent to hide from the Commission, he outlined the many occasions Par-Tee had cooperated with the Commission. He also acknowledged that Par-Tee has not filed an adoption notice or tariff setting forth its rates, but stated that it had only charged the residents the rates set forth in ICH's tariff from the time Par-Tee took over the service until it received the Commission's Order of May 24, 1999 at which time it ceased charging for utility service as ordered. He requested that no civil penalty be assessed against Par-Tee and requested that it not be required to refund the money collected for its untariffed services. He also requested that the Commission not require it to refund the fees assessed the residents to hook on to the Carroll County Water District's ("CCWD") system. He stated in support that it would be beneficial to both the residents of Perry Park and CCWD for the residents to be served by CCWD.

ICH's representative, Katherine Yunker, admitted that ICH had not sought Commission approval before it transferred the utilities at Perry Park Resort to Par-Tee as required by KRS 278.020, but likewise requested that there be no penalty assessed.

The discussions then turned to the issue of the assessment being charged the residents of Perry Park to hook on to CCWD's system. Documents were presented by Par-Tee to show that the \$100,000 required by CCWD had been turned over to CCWD. It was noted that ICH turned over \$69,000 and Par-Tee \$31,000. Commission Staff questioned both Par-Tee and ICH with regard to how the assessment was being charged and who was actually doing the billing and collecting. Neither Par-Tee nor ICH could provide a definitive response.

After a brief break, Commission Staff informed Par-Tee and ICH that it could recommend that the Commission agree to accept a \$500 payment from each in settlement of the violations of the parties for their failure to seek prior approval of the transfer of the utilities owned and operated by ICH, the failure to file an adoption notice and the failure of Par-Tee to file a tariff. Staff further agreed to recommend to the Commission that the sums collected from the residents by Par-Tee for water and sewer service not be refunded. In addition, Staff agreed to recommend that the residents be billed for any amounts not charged as a result of the Commission's Order of May 24, 1999 and that the residents continue to be charged for utility services received during the pendency of this action. Staff instructed the participants that this settlement would not include the Commission's action against ICH and Par-Tee for their violations of KRS

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<sup>1</sup> Par-Tee presented to Commission Staff financial documents to support its assertion that it has the financial ability to operate the utility.

Main Case File No. 99-210  
July 23, 1999  
Page 3

278.160 and 807 KAR 5:011, Section 2 for collecting an untariffed assessment from the residents to hook on to CCWD. Both Par-Tee and ICH accepted Staff's offer to settle and agreed to hold a hearing on the remaining issue. All parties agreed that the hearing presently scheduled for August 5, 1999 would be rescheduled. It was agreed that Par-Tee and ICH would file with the Commission a proper application for transfer. Commission Staff agreed to draft a Settlement Agreement to be circulated to all parties.

The conference then adjourned.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A )  
GLENWOOD HALL RESORT AND )  
COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE LLC )  
D/B/A PERRY PARK RESORT )

CASE NO. 99-210

JUL 21 1999  
PUBLIC SERVICE  
COMMISSION

---

ALLEGED VIOLATION OF KRS )  
278.020(4) AND (5), KRS 278.160, AND )  
COMMISSION REGULATIONS 807 )  
KAR 5:011, SECTION 2 AND 807 KAR )  
5:011, SECTION 11 )

**ENTRY OF APPEARANCE**

Please take notice that Katherine K. Yunker hereby enters her appearance as counsel in this proceeding for ICH Corporation ("ICH"). Copies of all orders, pleadings, and other communications relating to this proceeding should be directed to: ✓

Katherine K. Yunker  
836 Euclid Avenue, Suite 301  
P.O. Box 21784  
Lexington, KY 40522-1784

Please maintain the name and address of Marshall P. Eldred, Jr., an attorney who has already appeared on behalf of ICH, on your Service List.

Respectfully submitted,

Marshall P. Eldred, Jr.  
BROWN, TODD & HEYBURN  
400 W. Market Street  
Louisville, KY 40202  
502-589-5400

Katherine K. Yunker  
P.O. Box 21784  
Lexington, KY 40522-1784  
606-266-0415  
fax: 606-266-3012

  
Katherine K. Yunker  
ATTORNEYS FOR ICH CORPORATION

CERTIFICATE OF SERVICE

I hereby certify that on this the 21<sup>st</sup> day of July, 1999, a copy of the foregoing Entry of Appearance has been served, by hand-delivery, on the following persons:

James G. Woltermann  
Stacey L. Graus  
ADAMS, BROOKING, STEPNER, WOLTERMANN  
& DUSTING  
40 West Pike Street  
Covington, KY 41011  
ATTORNEYS FOR PAR-TEE, LLC  
D/B/A PERRY PARK RESORT

  
Katherine K. Yunker  
ATTORNEY FOR ICH CORPORATION

Mr. Ronald B. McCloud, Secretary  
Commonwealth of Kentucky  
Public Service Commission  
P O Box 615  
Frankfort, Ky. 40602

July 15, 1999

RECEIVED

JUL 19 1999

PUBLIC SERVICE  
COMMISSION

Sir,

I would like to take this opportunity to request leave of intervention pursuant to 807 KAR 5:001 Section 3 in Case # 99-210 before the Public Service Commission. I am not an employee of any party in the proceeding. My interest is in regard to my relationship with both parties as a resident of Perry Park Country Club / Glenwood Hall Resort.

I have an interest in the particular item of an assessment being issued by ICH Corporation in the amount of \$388.00 per user of the water system for hookup to a new water project in cooperation with the Carroll County Water District. I as a resident and utility user was assessed this amount by ICH corporation and paid the said amount in January of 1998. It is my understanding that this proceeding will deal with the eligibility of ICH to make such an assessment and Par Tee LLC to follow up on the collection of this assessment after their purchase in August 1998.

My main concern is that if testimony is given concerning either parties dealings with the utility users is in any way mis-represented, I could have the opportunity to speak to that issue as a resident and utility user. I most certainly would be interested in knowing if I was assessed this amount in an illegal manner.

Should you feel my interest in this case is not vital enough for "Full Intervention Status", I ask that this letter be then my request for "Limited Intervention Status".

Sincerely,



Paul D. Minch, Resident & Utility User  
P O Box 58  
Perry Park, Ky. 40363

Daytime Phone: 502-564-6760  
Evening 502-484-3122



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

July 14, 1999

To: All parties of record

RE: Case No. 99-210

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

Shonda Craig  
Office Manager  
Perry Park Resort, Inc.  
595 Springport Ferry Road  
P. O. Box 147  
Perry Park, KY 40363

Honorable John A. Bicks  
Executive Vice President  
ICH Corporation  
780 Third Avenue  
43rd Floor  
New York, NY 10017

Honorable Stacey L. Graus  
Attorney at Law  
Adams, Brooking, Stepner, Woltermann  
& Dusing, P.L.L.C.  
40 West Pike Street  
P.O. Box 861  
Covington, KY 41012 0861

Honorable James G. Woltermann  
Attorney for Par-Tee, LLC  
d/b/a Perry Park Resort  
40 West Pike Street  
Covington, KY 41012

Honorable Marshall P. Eldred  
Attorney for ICH Corporation  
Brown, Todd & Heyburn PLLC  
400 W. Market Street, 32nd Floor  
Louisville, KY 40202

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A GLENWOOD HALL )  
RESORT AND COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE LLC D/B/A )  
PERRY PARK RESORT )  
\_\_\_\_\_ ) CASE NO. 99-210  
)  
ALLEGED VIOLATION OF KRS 278.020(4) )  
AND (5) KRS 278.160 AND COMMISSION )  
REGULATIONS 807 KAR 5:011, SECTION 2 )  
AND 807 KAR 5:011, SECTION 11 )

O R D E R

On July 2, 1999, the Commission issued an Order directing I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") and Par-Tee, LLC d/b/a Perry Park Resort ("Par-Tee") to file a response and any request for an informal conference with the Commission within 20 days from the date of the Order. That Order was in substitution of a prior Order dated May 24, 1999.

On July 6, 1999, ICH filed a response with the Commission to the May 24<sup>th</sup> Order and also requested an informal conference with Commission Staff.

The Commission finds the response filed by ICH on July 6, 1999 should be considered as a response to the Order of July 2, 1999 and that an informal conference should be held.

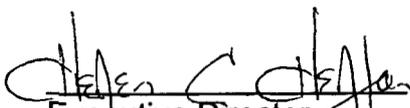
IT IS THEREFORE ORDERED that:

1. The response filed on July 6, 1999 by ICH shall be considered a response to the Order of July 2, 1999.
2. ICH shall appear before the Commission on July 21, 1999, at 1:30 p.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of an informal conference with Commission Staff to consider any matter which would aid in the disposition of this proceeding.
3. ICH shall bring all documents to support its position and shall be represented by a corporate officer or counsel authorized to enter into any settlement agreement.

Done at Frankfort, Kentucky, this 14th day of July, 1999.

By the Commission

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

July 9, 1999

To: All parties of record

RE: Case No. 99-210

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB//lnh  
Enclosure

Rhonda Craig  
Office Manager  
Perry Park Resort, Inc.  
595 Springport Ferry Road  
P. O. Box 147  
Perry Park, KY 40363

Honorable John A. Bicks  
Executive Vice President  
ICH Corporation  
780 Third Avenue  
43rd Floor  
New York, NY 10017

Honorable Stacey L. Graus  
Attorney at Law  
Adams, Brooking, Stepner, Woltermann  
& Dusing, P.L.L.C.  
40 West Pike Street  
P.O. Box 861  
Covington, KY 41012 0861

Honorable James G. Woltermann  
Attorney at Law  
40 West Pike Street  
Covington, KY 41012

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

IN THE MATTER OF I.C.H. CORPORATION A/K/A )  
GLENWOOD HALL RESORT AND COUNTRY )  
CLUB A/K/A PERRY PARK RESORT AND PAR-TEE )  
LLC D/B/A PERRY PARK RESORT )

) CASE NO. 99-210

\_\_\_\_\_  
ALLEGED VIOLATION OF KRS 278.020(4) AND (5) )  
KRS 278.160 AND COMMISSION REGULATIONS )  
807 KAR 5:011, SECTION 2 AND 807 KAR 5:011, )  
SECTION 11 )

O R D E R

On July 2, 1999, the Commission issued an Order directing I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") and Par-Tee, LLC d/b/a Perry Park Resort ("Par-Tee") to file a response and any request for an informal conference with the Commission within 20 days from the date of the Order. That Order was in substitution of a prior Order dated May 24, 1999.

On June 24 and June 28, 1999, Par-Tee filed responses to the May 24, 1999 Order with the Commission and also requested an informal conference with Commission Staff.

The Commission finds the responses heretofore filed by Par-Tee should be considered as a response to the Order of July 2, 1999 and that an informal conference should be held.

IT IS THEREFORE ORDERED that:

1. The responses filed on June 24 and June 28, 1999, by Par-Tee are to be considered responses to the Order of July 2, 1999.

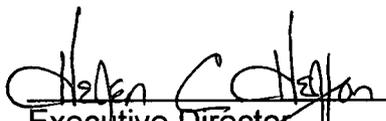
2. Par-Tee shall appear before the Commission on July 21, 1999, at 1:30 p.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of an informal conference with Commission Staff to consider any matter which would aid in the disposition of this proceeding.

3. Par-Tee shall bring all documents to support its position and shall be represented by a corporate officer or agent authorized to enter into any settlement agreement.

Done at Frankfort, Kentucky, this 9th day of July, 1999.

By the Commission

ATTEST:

  
Executive Director

**BROWN, TODD  
& HEYBURN PLLC**

Marshall P. Eldred, Jr.

Direct Dial: (502) 568-0262  
E-Mail: Marshall@Lou.bth-pllc.com

400 West Market Street  
32nd Floor  
Louisville, KY 40202-3363  
(502) 589-5400  
Facsimile (502) 581-1087  
www.bth-pllc.com

Lexington Office  
2700 Lexington Financial Center  
Lexington, KY 40507-1749  
(606) 231-0000  
Facsimile (606) 231-0011

Northern Kentucky Office  
50 East RiverCenter Boulevard  
Suite 650  
Covington, KY 41011  
(606) 431-5550  
Facsimile (606) 431-2191

Indiana Office  
120 West Spring Street, Suite 400  
New Albany, IN 47150  
(812) 948-2800  
Facsimile (812) 948-7994

Nashville Office  
424 Church Street, Suite 2900  
Nashville, TN 37219  
(615) 251-5550  
Facsimile (615) 251-5551

July 2, 1999

RECEIVED  
JUL - 6 1999  
PUBLIC SERVICE  
COMMISSION

Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: ***I.C.H. Corporation a/k/a Glenwood Hall Resort and  
Country Club a/k/a Perry Park Resort and Par-Tee, LLC,  
d/b/a Perry Park Resort  
Case No. 99-210***

Dear Ms. Helton:

I enclose the Response of ICH Corporation to the Order issued by the Public Service Commission on May 24, 1999 and a Motion requesting an informal conference.

Please file stamp and return the copy in the enclosed envelope.

Yours very truly,



Marshall P. Eldred, Jr.

Enclosures

Copies to: John A. Bicks  
Katherine K. Yunker

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
JUL - 6 1999  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A GLENWOOD HALL )  
RESORT AND COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE LLC D/B/A )  
PERRY PARK RESORT )

CASE NO. 99-210

**RESPONSE OF ICH CORPORATION TO PUBLIC SERVICE  
COMMISSION ORDER OF MAY 24, 1999 AND  
MOTION REQUESTING INFORMAL CONFERENCE**

\* \* \* \* \*

**RESPONSE**

For its Response to the Order of the Public Service Commission ("PSC") dated May 24, 1999 (the "May 24 Order"), ICH Corporation ("ICH") states as follows:

1. It is a Delaware corporation with its corporate headquarters located at 9255 Towne Centre Drive, Suite 600, San Diego, California 92121. Its Executive Vice President and General Counsel is John A. Bicks, located in the corporation's New York offices at 780 Third Avenue, 43rd Floor, New York, New York 10017.

2. General Counsel, John A. Bicks, first learned of the May 24 Order on June 15, 1999 and immediately called the PSC and spoke with J. R. Goff to request an extension of time in which to respond to the May 24 Order. On June 16, 1999, Mr. Bicks wrote Helen Helton, Executive Director of the PSC and requested an extension of time in which to file a Response (a copy of that letter is attached as Exhibit A). On June 17, 1999, ICH retained the firm of Brown, Todd & Heyburn as its counsel in this matter.

3. Any violations of any statute or regulation as alleged in the May 24 Order on the part of ICH were not willful or intentional and ICH was not aware of any alleged violation until Mr. Bicks' receipt of the May 24 Order.

4. All of the assets of Perry Park Resort, a/k/a Glenwood Hall Resort and Country Club, were sold to Par-Tee, LLC ("Par-Tee") by ICH on July 31, 1998. As stated in the December 30, 1998 letter from Rhonda Craig to the PSC, attached as a part of Appendix A to the May 24 Order, Par-Tee took over the operations of Perry Park Resort effective August 1, 1998..

5. ICH is not billing, and since July 31, 1998 has not billed, any resident of Perry Park Resort for any water, sewer or utility services of any kind and is not charging, and since July 31, 1998 has not charged, any resident of Perry Park Resort any fees to hook onto any new water line expansion planned by Carroll County Water District.

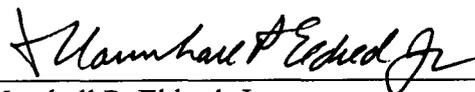
6. To the extent ICH has knowledge of matters set forth in the Response and Supplement to the Response filed herein by Par-Tee, ICH believes that the assertions in those filings are accurate.

#### MOTION

ICH moves the PSC to schedule an informal conference with PSC Staff to consider any matter which would aid in the handling or disposition of this proceedings, such conference to be held as soon as Staff's schedule permits.

Respectfully submitted,

BROWN, TODD & HEYBURN PLLC



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Marshall P. Eldred, Jr.  
400 W. Market Street, 32nd Floor  
Louisville, Kentucky 40202  
502-589-5400

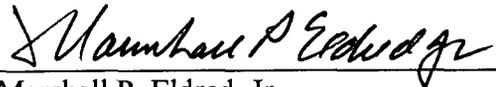
**ATTORNEY FOR ICH CORPORATION**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies a true and correct copy of the foregoing Response, was mailed via first class on the 2nd day of July, 1999 to each of the following:

Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

James G. Woltermann  
Stacey I. Graus  
Adams, Brooking, Stepner,  
Woltermann & Dusting, P.L.L.C.  
40 West Pike Street  
Covington, KY 41011  
**ATTORNEYS FOR PAR-TEE, LLC**  
**D/B/A PERRY PARK RESORT**

  
\_\_\_\_\_  
Marshall P. Eldred, Jr.

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CONFIDENTIAL

June 16, 1999

**John A. Bicks**  
*Executive Vice President  
and General Counsel*

**BY TELECOPIER AND FEDERAL EXPRESS**

Ms. Helen Helton, Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

Re: Case No. 99-210

Dear Ms. Helton:

Yesterday I received a copy of the Order dated May 24, 1999 and issued by the Commonwealth of Kentucky Public Service Commission in the above-referenced case (the "Order"). Pursuant to the Order, it appears that the due date for the corporation's response passed on Monday of this week. As I advised Mr. J. R. Goff of your office by telephone, we are in the process of retaining local counsel to represent the corporation in this matter, and will require some brief extension of time in which to respond to the Order and/or to move for an informal conference with the Commission Staff. Pending the filing of a formal request for such an extension with your office, kindly consider this letter as the corporation's request for such an extension.

We look forward to working with you and the Commission Staff to resolve this matter in an appropriate and expeditious fashion and appreciate your consideration in the matter. Please feel free to call me if you have any questions.

Very truly yours,

John A. Bicks

JAB:hs



COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

July 2, 1999

To: All parties of record

RE: Case No. 99-210

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

Stephanie Bell  
Secretary of the Commission

Is your RETURN ADDRESS completed on the reverse side? <b>SENDER:</b> <input type="checkbox"/> Complete items 1 and/or 2 for additional services. <input type="checkbox"/> Complete items 3, 4a, and 4b. <input type="checkbox"/> Print your name and address on the reverse of this form so that we can return this card to you. <input type="checkbox"/> Attach this form to the front of the mailpiece, or on the back if space does not permit. <input type="checkbox"/> Write "Return Receipt Requested" on the mailpiece below the article number. <input type="checkbox"/> The Return Receipt will show to whom the article was delivered and the date delivered.	I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
	3. Article Addressed to:  <div style="font-size: 2em; font-family: cursive;">John A. Bicks</div>
5. Received By: (Print Name)	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
6. Signature (Addressee or Agent) <input checked="" type="checkbox"/> <div style="font-size: 1.5em; font-family: cursive;">Rose M. Cole</div>	7. Date of Delivery <div style="font-size: 1.5em; font-family: cursive;">7-7-99</div>
PS Form 3811, December 1994	8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Ryonda Craig  
Office Manager  
Perry Park Resort, Inc.  
595 Springport Ferry Road  
P. O. Box 147  
Perry Park, KY 40363

Honorable John A. Bicks  
Executive Vice President  
ICH Corporation  
780 Third Avenue  
43rd Floor  
New York, NY 10017

Honorable Stacey L. Graus  
Attorney at Law  
Adams, Brooking, Stepner, Woltermann  
& Dusing, P.L.L.C.  
40 West Pike Street  
P.O. Box 861  
Covington, KY 41012 0861

Honorable James G. Woltermann  
Attorney at Law  
40 West Pike Street  
Covington, KY 41012

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A )  
GLENWOOD HALL RESORT AND )  
COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE, LLC )  
D/B/A PERRY PARK RESORT )

CASE NO. 99-210

\_\_\_\_\_)  
ALLEGED VIOLATION OF )  
KRS 278.020(4) AND (5), KRS 278.160, )  
AND COMMISSION REGULATIONS )  
807 KAR 5:011, SECTION 2, AND )  
807 KAR 5:011, SECTION 11 )

O R D E R

I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") is a utility subject to Commission jurisdiction under KRS 278.010(3)(d) and (f). Its tariff is on file with the Commission. Par-Tee, LLC d/b/a Perry Park Resort ("Par-Tee") appears to be providing utility services to the public for compensation, and therefore also appears to be a utility subject to Commission jurisdiction under KRS 278.010(3)(d) and (f). KRS 278.040 establishes the jurisdictional authority of the Commission over all utilities in this state and requires the Commission to regulate all utilities and to enforce the provisions of Chapter 278 of the Kentucky Revised Statutes.

KRS 278.020(4) provides that "[n]o person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the commission by

sale of assets, transfer of stock, or otherwise, or abandon the same, without prior approval by the commission."

KRS 278.020(5) provides that "[n]o individual, group, syndicate, general or limited partnership, association, corporation, joint stock company, trust, or other entity (an "acquirer"), whether or not organized under the laws of this state, shall acquire control, either directly or indirectly, of any utility furnishing utility service in this state, without having first obtained the approval of the commission. Any acquisition of control without prior authorization shall be void and of no effect."

KRS 278.160 provides that "each utility shall file with the commission . . . schedules showing all rates and conditions for service established by it and collected or enforced" and further provides that no utility may charge for its services any amounts other than those in its filed tariff.

KRS 278.160(1) authorizes the Commission to prescribe rules and regulations for filing and displaying schedules of rates and conditions. Pursuant to this statutory authority, the Commission promulgated Administrative Regulation 807 KAR 5:011. Commission Regulation 807 KAR 5:011, Section 2, provides that each utility under the jurisdiction of the Commission is to file a tariff containing schedules of all its rates, charges, and tolls. 807 KAR 5:011, Section 11, requires any company acquiring ownership or control of a utility to use the rates, classifications and administrative regulations of the former operating company, unless otherwise authorized by the Commission, and to issue, file and post an adoption notice with the Commission at the time of such change of ownership or control, making its own all rates, rules, and classifications of the former operating utility.

On December 30, 1998, the Commission received a letter from Rhonda Craig, Office Manager for Par-Tee, explaining that the assets of Glenwood Hall Golf and Country Club were sold to Par-Tee on August 1, 1998. The letter further explained that the purchase included the Water and Sewer Utilities. This letter is attached hereto as Appendix A. The Commission was not notified prior to the effective date of the transfer of ownership; nor did it approve the transfer.

ICH and Par-Tee appear to have violated KRS 278.020(4) and (5) by failing to obtain Commission approval prior to the transfer to Par-Tee of ICH's water and sewer facilities. Par-Tee also appears to be in violation of 807 KAR 5:011, Section 11, by its failure to file an adoption notice with this Commission at the time it assumed control or ownership of the water and sewer facilities from ICH. In addition, Par-Tee appears to be in violation of KRS 278.160, as it has collected compensation for providing utility service without having filed its tariff.

On May 10, 1999, the Commission received a letter from a resident of Glenwood Hall Resort and Country Club stating that the residents of Glenwood Hall Resort and Country Club have been charged an assessment in the amount of \$388 by ICH -- apparently now Par-Tee -- as a hook-on fee to a new line expansion planned by Carroll County Water District. A copy of this letter is attached hereto as Appendix B. This fee is not contained in ICH's tariff on file with the Commission nor is the fee in a tariff filed by Par-Tee as required by KRS 278.160 and Commission Regulation 807 KAR 5:011, Section 2.

Based on the documents received and being otherwise sufficiently advised, the Commission finds that *prima facie* evidence exists that ICH and Par-Tee have willfully

violated KRS 278.020(4), KRS 278.020(5), KRS 278.160 and Commission Regulation 807 KAR 5:011, Section 2, and that Par-Tee has willfully violated Commission Regulation 807 KAR 5:011, Section 11.

On May 24, 1999, the Commission issued an Order directing ICH and Par-Tee to file a response and any request for an informal conference with the Commission within 20 days from the date of the Order. On June 17, 1999, ICH filed a correspondence with the Commission requesting an extension of time in which to respond and for an informal conference. ICH states that it is in the process of retaining local counsel to represent it before the Commission. The Commission, upon examining the file herein, finds that errors occurred in the service procedure for this Order. These errors resulted in the proper parties not being served or being served with insufficient time to properly respond. The Commission finds that the Order dated May 24, 1999 should be revoked. KRS 378.390.

The Commission, on its own motion, HEREBY ORDERS that:

1. The Order issued herein dated May 24, 1999 is hereby revoked and is null and void.
2. ICH and Par-Tee, through their representatives, shall appear before the Commission on August 5, 1999, at 9:30 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purposes of presenting evidence concerning the alleged willful violations of KRS 278.020(4) and (5), KRS 278.160, and 807 KAR 5:011, Sections 2 and 11; of showing cause, if any, why they should not be subject to the penalties prescribed in KRS 278.990(1) for the alleged violations; and of showing cause, if any, why all monies

collected for the hook-on to the Carroll County Water District's expansion line, as well as monies collected for untariffed services, should not be refunded.

3. Appendices A and B to this Order are hereby incorporated into the record of this proceeding.

4. ICH and/or Par-Tee shall immediately cease and desist from charging any fees to hook on to the new line expansion planned by Carroll County Water District.

5. Par-Tee shall immediately cease and desist from billing for untariffed services.

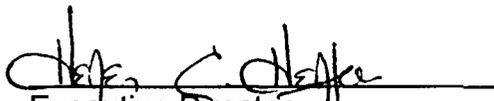
6. ICH and Par-Tee shall submit to the Commission within 20 days of the date of this Order a written response to the allegations contained herein.

7. Any motion requesting an informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 2nd day of July, 1999.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 99-210 DATED JULY 2, 1999

**Par-Tee LLC**

*D/b/a: Perry Park Resort  
595 Springport Ferry Road  
P.O. Box 147  
Perry Park, KY 40363*

December 30, 1998

Public Service Commission  
Ms. Joyce Spear  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Dear Ms. Spear:

On August 1, 1998 the Assets of Glenwood Hall Golf and Country Club were sold to Par-Tee LLC. This purchase included the Water and Sewer Utilities. I have enclosed a copy of a letter, relating to another matter, prepared by our attorney regarding the sale. Any correspondence relating Prior to the sale date of August 1<sup>st</sup> should continue to be sent to ICH Corporation. They have a new address: 9255 Towne Centre Drive, Suite 600, San Diego, CA 92121-3039. Any Post sale date information should be sent to Par-Tee LLC, d/b/a: Perry Park Resort, 595 Springport Ferry Rd., P.O. Box 147, Perry Park, KY 40363.

If you need any additional information please feel free to contact me at (502) 484-2159

Sincerely,

  
Rhonda Craig  
Office Manager

Enclosure

**ADAMS, BROOKING, STEPNER, WOLTERMANN & DUSING,  
P.L.L.C.**

*Attorneys and Counselors at Law*

JOHN B.S. BROOKING \* GREGORY S. SEJMATE \*  
DONALD L. STEPNER \* J.S. "BOBBY" BROOKING \*  
JAMES G. WOLTERMANN \* STACEY L. GRAUS \*  
GERALD F. DUSING \* PAUL I. DARPEL \*  
MICHAEL M. SLEITCH \* LORI A. SCHLARMAN \*  
DENNIS R. WILLIAMS \* CHANDRA E. BALDWIN \*  
JAMES R. KALTER \* ROBERT D. DELITS \*  
JEFFREY C. MANDRO \* WESTON W. WORTHINGTON \*  
R. JEFFREY SCHLOSSER \* JEFFREY A. STEPNER \*  
MARC D. DEITZ \*

40 WEST PIKE STREET

P.O. BOX 861

COVINGTON, KENTUCKY 41012-0861

AREA CODE 606-291-7270

FAX 606-291-7902

8100 BURLINGTON PIKE - SUITE 344  
P.O. BOX 376  
FLORENCE, KENTUCKY 41042-0376  
AREA CODE 606-371-6220  
FAX 606-371-6241

1850 FEDERATED BLDG BLDG  
7 WEST SEVENTH STREET  
CINCINNATI, OHIO 45203-3417  
AREA CODE 513-241-7648

\* ALSO ADMITTED IN OHIO  
\*\* ADMITTED ONLY IN OHIO

CHARLES S. ADAMS (1986-1971)  
C. GORDON WALKER (1911-1957)

August 18, 1998

The Better Business Bureau of Central and Eastern Kentucky  
410 W. Vine Street  
Lexington, KY 40507-1616  
Attn: Kristen Lando  
Dispute Resolution Specialist

**RE: PERRY PARK, OWEN COUNTY, KENTUCKY**

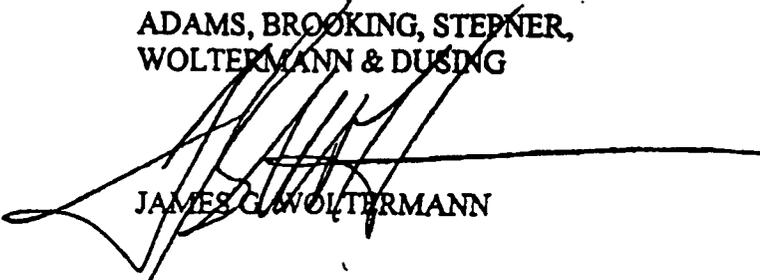
Dear Ms. Lando:

Please be advised that the assets of Perry Park Resorts were sold to PAR-TEE, LLC, a Kentucky Limited Liability Company, on Friday, July 31, 1998. The new entity bears no responsibility for any transactions prior to July 31, 1998. Please make note in your records that Perry Park Resorts is under new management effective as of the date of Closing.

If you have any questions, please feel free to call.

Very truly yours,

**ADAMS, BROOKING, STEPNER,  
WOLTERMANN & DUSING**

  
JAMES G. WOLTERMANN

JGW:saw  
CC: Gregory F. Martini

APPENDIX B

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 99-210 DATED JULY 2, 1999

May 6, 1999  
P.O. Box 116  
Perry Park, Ky 403

RECEIVED

MAY 10 1999

PSC Consumer Services

Mr. Bob Johnston  
Public Service Comm.  
P.O. Box 615  
Frankfort, Ky. 40602

Dear Mr. Johnston,

On or about 12-17-99, we concluded discussions on water main leaks at Glenwood Hall Resort, Perry Park, Ky. I am happy to report the leaks have been repaired.

Other discussions of concern to myself and many other residents at Glenwood Hall, was the fact that each resident was assessed \$388.00 for a total of \$100,000.00, including meters for a hook up to Carroll County water district by ICH Corp.

After talking with you, you told me that you thought the Property Owners Association approved of this assessment. I assume you came to this conclusion after you talked with Curt Moburg, who was the record manager for I.C.H. Corp. at that time. He is the same person who requested permission to cut off water to who hadn't paid the \$388.00.

I was waiting until the former president of the Property Owners Assoc. to return from a winters absence. He was in possession of the letter I needed where we registered our disagreement with the assessment. This letter was voted on and approved by the board of directors of the Property Owners Assoc.

A letter was sent to James Arabin, Chief Executive officer for ICH.

The \$100,000.00 fee to be collected by I.C.H. and now the new owners of Glenwood Hall, Par-Tee, LLC (as of the fall of '98) was never approved by the Public Service Commission.

Both companies have been adamant that the residents pay this bill, even though Jim Smith of the Carroll County Water District said to me that he felt it was the company's responsibility because it was their water systems.

When the Carroll County Water District is completed this fall (99), the people on Route 127 outside of Glenwood Hall will only pay \$350.00 for a tap in fee. Jim Smith said he did not know how Glenwood Hall came up with \$388 because their fee to hook up is \$350.00 per residence.

My formal complaint is that the residents have been illegally assessed and billed without the Public Service Commission's approval.

Enclosed is a copy of my first bill and an over due bill from I.C.H., each is clearly marked "Bill To". Also, another notice sent by Mark Siebert, the new manager for Par-Tee, LLC, stating the \$388.00 is past due.

Just over \$70,000.00 was collected by the two companies from residents and the remaining amount was paid by Par-Tee, LLC because not all residents would

pay the fee that was not approved by the Public Service Commission. The total amount has been turned over to the Carroll County State District.

Many residents have known they did not owe this and that people were being illegally billed. Many people paid knowing they did not owe this money, but did so anyway to get rid of the Glenwood Hall water system. We have had many problems with the water + many people's water systems have been damaged. We are anxious for the arrival of Carroll County water.

Again I feel I.C.H. + Par-Tee, LLC should pay the \$100,000.00 and all the residents money returned.

I have some concern of retributions from Par-Tee for making this complaint. I would like to know if they are able to do this. Please let me know after you have consulted with your legal department.

Thanks for your consideration and I await hearing from you so we can put this matter to rest once and for all.

Sincerely,

David D. Burdette

Enclosures

45 Springport Rd.  
P.O. Box 116  
Perry Park, Ky. 40363

Helen Helton  
730 Schenkel Ln.  
P.O. Box 615  
Frankfort, Ky. 40602

RECEIVED

JUN 29 1999

PUBLIC SERVICE  
COMMISSION

Dear Ms. Helton:

I have filed an official complaint to the Public Service Commission (Case # 99-210) involving the wrongful charge of \$388.00 to all households at Perry Park Country Club, Perry Park, Kentucky by ICH Corporation + Lar-See LLC for the water hook up to the Carroll County Water Dist. #1.

I would have thought I would have been notified of the upcoming hearing by the Public Service Commission, but I was not notified. I did, however, learn of the hearing.

My question is, that if this is a public hearing, I would like to be notified of the date, time, room number, and address of the hearing. Also, if possible, I would like to be listed as an intervenor, so I can participate, if necessary.

Thank you for your time.

Sincerely,

P. Wild Burdette

**ADAMS, BROOKING, STEPNER, WOLTERMANN & DUSING,  
P.L.L.C.**

*Attorneys and Counselors at Law*

DONALD L. STEPNER \* STACEY L. GRAUS \*  
JAMES G. WOLTERMANN \* MARY ANN STEWART \*  
GERALD F. DUSING WESTON W. WORTHINGTON  
MICHAEL M. SKETCH \* LORI A. SCHLARMAN \*  
DENNIS R. WILLIAMS \* SCOTT M. GUENTHER  
JAMES R. KRUER \* ROBERT D. DILTS \*  
JEFFREY C. MANDO \* JEFFREY A. STEPNER \*  
MARC D. DIETZ \* JENNIFER L. LANGEN \*

40 WEST PIKE STREET

P.O. BOX 861

COVINGTON, KENTUCKY 41012-0861

AREA CODE 606-291-7270

FAX 606-291-7902

OF COUNSEL  
R. JEFFREY SCHLOSSER

8100 BURLINGTON PIKE - SUITE 344  
P.O. BOX 576  
FLORENCE, KENTUCKY 41012-0576  
AREA CODE 606-371-6220  
FAX 606-371-8341

1850 FEDERATED BUILDING  
7 WEST SEVENTH STREET  
CINCINNATI, OHIO 45202-2417  
AREA CODE 513-241-7460

\* ALSO ADMITTED IN OHIO

CHARLES S. ADAMS (1906-1971)  
C. GORDON WALKER (1911-1967)

June 23, 1999

RECEIVED  
JUN 28 1999  
PUBLIC SERVICE  
COMMISSION

Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

**RE: ICH Corporation a/k/a Glenwood Hall Resort and  
County Club a/k/a Perry Park Resort and Par-Tee, LLC  
d/b/a Perry Park Resort  
Case No. 99-210**

Dear Ms. Helton:

I have enclosed Respondent, Par-Tee, LLC's, Supplement to the Response to the Order of May 24, 1999.

If you have any questions or comments, please feel free to call me.

Sincerely,

Adams, Brooking, Stepner,  
Woltermann & Dusing, P.L.L.C.



Stacey L. Graus  
Attorney At Law

SLG/jrr  
Enclosure  
#26776.1

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION  
CASE NO. 99-210

RECEIVED  
JUN 28 1999  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

ICH CORPORATION A/K/A GLENWOOD HALL  
RESORT AND COUNTRY CLUB A/K/A PERRY PARK  
RESORT AND PAR-TEE, LLC D/B/A  
PERRY PARK RESORT

---

RESPONDENT, PAR-TEE, LLC's SUPPLEMENT TO  
THE RESPONSE TO THE ORDER OF MAY 24, 1999

---

SUPPLEMENT TO THE RESPONSE

Par-Tee, LLC d/b/a Perry Park Resort (Par-Tee) comes before the Commission to supplement its response of June 23, 1999 by adding the following to the Facts:

The relationship that Par-Tee has established with the Public Service Commission is further established by a listing on the Public Service Commission's Internet home page. The page can be found at [www.psc.state.ky.us/agencies/psc/reports/util30r.htm](http://www.psc.state.ky.us/agencies/psc/reports/util30r.htm). The page lists all utilities operating within the state. Par-Tee, LLC is listed as a utility under the heading "Investor-Owned Water Companies" with an computer identification number of 6000500 and under the heading "Sewer Utilities" with an computer identification number of 22260005.

**WHEREFORE**, Par-Tee respectfully reaffirms its request that the Public Service Commission grant an informal conference to discuss the alleged violations and Par-Tee's compliance with statutory and regulatory law as well as the Public Service Commission's internal rules.

Respectfully Submitted,

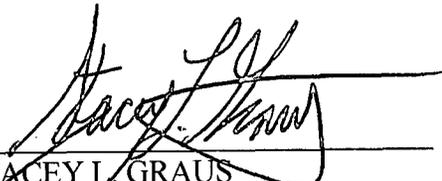


JAMES G. WOLTERMANN (#78470)  
STACEY L. GRAUS (#84147)  
ADAMS, BROOKING, STEPNER,  
WOLTERMANN & DUSING, P.L.L.C.  
40 West Pike Street  
Covington, KY 41011  
(606) 291-7270  
**Attorneys for Respondent,  
Par-Tee, LLC d/b/a  
Perry Park Resort**

CERTIFICATION

This is to certify that a true and correct copy of the foregoing has been sent regular U.S.  
Mail this 23rd day of June, 1999 to the following:

Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602



STACEY L. GRAUS

- Investor-Owned Electric Companies
- Rural Electric Cooperative Corporations
- Gas Utilities
  - Gas Distribution Companies
  - Intra-State Gas Pipeline Companies
  - Municipals; Colleges; Housing Authorities
- Telecommunications Utilities
  - Wireless - Radio-Telephone Companies
  - Wireless - Cellular Telephone Companies
  - Wireless - Personal Communications Services
  - Telephone Companies
    - Local Exchange Carriers
    - Competitive Local Exchange Carriers
    - Long Distance Carriers
    - Competitive Access Providers
    - Alternative Operator Services
- Investor-Owned Water Companies
- Water Districts
- Water Associations
- Municipal Water Utilities (Wholesale Rates Only)
- Sewer Utilities

UTILMSTR30R

KY. P.S.C. ACTIVE COMPANIES

06/23/99

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## INVESTOR-OWNED ELECTRIC UTILITIES (0100)

300 American Electric Power  
 100 Berea College Electric Utility Department  
 400 Kentucky Utilities Company  
 500 Louisville Gas and Electric Company  
 800 The Union Light, Heat and Power Company

UTILMSTR30R

KY. P.S.C. ACTIVE COMPANIES

06/23/99

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## RURAL ELECTRIC COOPERATIVE CORPORATIONS (0200)

900 Big Rivers Electric Corporation  
 1000 Big Sandy R.E.C.C.  
 2000200 Blue Grass Energy Cooperative Corp.  
 1200 Clark Energy Cooperative, Inc.  
 1300 Cumberland Valley Electric, Inc.  
 1400 East Kentucky Power Cooperative, Inc.  
 1500 Farmers R.E.C.C.  
 1600 Fleming-Mason Energy Cooperative  
 1800 Grayson R.E.C.C.  
 1900 Green River Electric Corporation  
 2000 Harrison County R.E.C.C.  
 2100 Henderson Union Electric Cooperative Corporation  
 2200 Inter-County Energy Cooperative Corporation  
 2300 Jackson Energy Cooperative  
 2400 Jackson Purchase Energy Corporation  
 2500 Licking Valley R.E.C.C.  
 2600 Meade County R.E.C.C.  
 2700 Nolin R.E.C.C.  
 2800 Owen Electric Cooperative, Inc.

2900 Salt River Electric Cooperative Corp.  
 3000 Shelby Energy Cooperative, Inc.  
 3100 South Kentucky R.E.C.C.  
 3200 Taylor County R.E.C.C.

UTILMSTR30R

KY. P.S.C. ACTIVE COMPANIES

06/23/99

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## GAS DISTRIBUTION COMPANIES (0300)

3500 Auxier Road Gas Company, Inc.  
 3600 B & H Gas Company  
 3758 B.T.U. Pipeline  
 3700 Belfry Gas, Inc.  
 3725 Bluegrass Gas Sales, Inc.  
 3750 Bright's Propane Service Company  
 3762 Burkesville Gas Company  
 3000400 CitiPower, L.L.C.  
 3900 Columbia Gas of Kentucky, Inc.  
 3975 Cow Creek Gas, Inc.  
 4100 Delta Natural Gas Company, Inc.  
 6100 Dema Gas Company, Inc.  
 4200 East Kentucky Utilities, Inc.  
 4300 Elam Utility Company, Inc.  
 4500 Equitable Gas Company A Div. of Equitable Resources, Inc.  
 3300 GASCO Distribution Systems, Inc.  
 4580 Hazel, Kentucky Gas System c/o Paris-Henry Co. Public Utility  
 4600 Johnson County Gas Company, Inc.  
 7100 Kentucky-Ohio Gas Acquisition Corp.  
 22200500 Louisville Gas and Electric Company  
 5200 Martin Gas, Inc.  
 5300 Mike Little Gas Company, Inc.  
 5500 Mountain Utilities, Inc.  
 5400 Mt. Olivet Natural Gas Company, Inc.  
 5550 Orbit Gas Company, Inc.  
 5900 Public Gas Company, Inc.  
 6000 Richardsville Gas Company, Inc.  
 3000500 Sentra Corporation  
 6315 Sigma Gas Corporation, Inc.  
 6330 Slick Rock Gas Company  
 6370 Stepp Branch Gas Company  
 22200800 The Union Light, Heat and Power Company  
 6500 Valley Gas, Inc.  
 6600 Western Kentucky Gas Company  
 6700 Western Lewis-Rectorville Water and Gas District  
 6750 Zebulon Gas Association

UTILMSTR30R

KY. P.S.C. ACTIVE COMPANIES

06/23/99

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## GAS COMPANIES - INTRASTATE PIPELINES (0310)

3310 Alert Oil & Gas Company c/o Kinzer Drilling  
 22231002 Allen County Gas Transportation, Inc.  
 3100200 Allen County Gas, Inc.  
 3320 Anderson Oil & Gas  
 3101000 Apache Gas Transmission Co., Inc.  
 3330 Appalachian Oil & Gas Co., Inc.  
 3605 Baiden Gas Company  
 3885 Champ Oil Company, Inc.  
 3100800 Clearfield Ohio Holdings, Inc. c/o Morgantown Utilities  
 7205 Cobra Petroleum Production Corp.  
 3950 Culton Petroleum & Exploration, Inc.  
 3100400 Deltran, Inc.  
 3105530 Doe Run Transmission Co.

22201400 East Kentucky Power Cooperative  
 3100500 Eastern Kentucky Exploration Corp.  
     6341 Eastern States Oil and Gas, Inc.  
     6880 Equitable Resources Exploration, Inc.  
     6940 Huntington Energy  
     6980 Jackson Enterprises  
     4585 Jefferson Gas Transmission Co., Inc.  
     5940 K-Petroleum, Inc.  
     4607 KLC Enterprises  
     7150 Kentucky Pipeline and Storage Company, Inc.  
 22200400 Kentucky Utilities Company  
     7203 Kinhag Development Company  
     4850 Lindsey & Elliott Gas Co.  
     4875 Merit Gas & Oil Company, Inc.  
 3101100 Miller Petroleum, Inc.  
 3100300 Minerals Management Group, Inc.  
     5563 Natural Gas of Kentucky, Inc.  
 3100600 Peake Energy, Inc.  
     5750 Penn Virginia Oil & Gas Corporation  
     6150 Riley-Scott Gas Company  
     7235 Rockcastle Resources, Inc.  
     6350 Southern Gas Company of Delaware, Inc.  
 3100900 Toro Energy, Inc.  
 3100700 Westlake PVC Corporation

UTILMSTR30R

KY. P.S.C. ACTIVE COMPANIES

06/23/99

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GAS - MUNICIPALS/UNIVERSITIES/HOUSING AUTH. - HAZARDOUS LIQUIDS (SAFETY ONL  
 31000100 Alice Lloyd College Caney Creek Community Center  
 30000648 Arlington Gas c/o New Commonwealth Natural Gas  
 34000100 Ashland Pipeline Company  
 30001120 Bardwell City Utilities  
 30001128 Barlow Natural Gas System c/o New Commonwealth Natural Gas  
 30001328 Benton Gas System c/o Union Gas Co. of Kentucky, Inc.  
 33000300 Blackburn Correctional Complex  
 30001515 Blaine City Gas  
 32001518 Blue Grass Airport  
 30001816 Brooksville Utilities  
 32001100 Campbellsville Housing and Redevelopment Authority  
 30002096 Carlisle Gas System  
 30002116 Carrollton Utilities  
 30000864 City of Augusta Augusta Public Gas Project  
 30004260 City of Edmonton  
 30004360 City of Elizabethtown Elizabethtown Natural Gas  
 30007075 City of Hardin  
 30007185 City of Hazard Gas Company  
 30007255 City of Hickman  
 30010350 City of Kuttawa Municipal Natural Gas System  
 30011410 City of Lewisport Natural Gas System  
 30011480 City of Liberty Gas Company  
 30012778 City of Morganfield Morganfield Gas System  
 32006500 City of Morganfield Municipal Housing Authority  
 30015903 City of Providence  
 30018388 City of Somerset Gas Service  
 30002472 Clay Natural Gas Company  
 30002508 Clinton Natural Gas System c/o New Commonwealth Natural Gas  
 30002624 Columbia Utilities Commission  
 32001600 Corbin Housing Authority  
 30003538 Drakesboro Natural Gas Co.  
 33000400 Eastern Kentucky Correctional Complex  
 31000300 Eastern Kentucky University  
 30005144 Ferguson Gas Company  
 30005230 Flemingsburg Utilities System

30005680 Fulton Public Works Department City of Fulton  
31001100 Georgetown College  
30006620 Grayson Utilities Commission  
33000500 Green River Correctional Complex  
32003500 Greenville Housing Authority  
30007220 Henderson Municipal Gas System  
32000200 Housing Authority of Ashland  
32000300 Housing Authority of Barbourville  
32000400 Housing Authority of Bardstown  
32000600 Housing Authority of Benton  
32000700 Housing Authority of Berea  
32001200 Housing Authority of Carrollton  
32001300 Housing Authority of Catlettsburg  
32001400 Housing Authority of Central City  
32001500 Housing Authority of Columbia  
32001700 Housing Authority of Covington  
32001800 Housing Authority of Cumberland  
32001900 Housing Authority of Cynthiana  
32002000 Housing Authority of Danville  
32002100 Housing Authority of Dawson Springs  
32002400 Housing Authority of Elizabethtown  
32002500 Housing Authority of Eminence  
32002700 Housing Authority of Flemingsburg  
32002900 Housing Authority of Frankfort  
32003000 Housing Authority of Franklin  
32003100 Housing Authority of Fulton  
32003200 Housing Authority of Georgetown  
32003300 Housing Authority of Glasgow  
32003400 Housing Authority of Greensburg  
32003600 Housing Authority of Harlan  
32003700 Housing Authority of Harrodsburg  
32003800 Housing Authority of Hazard  
32003900 Housing Authority of Henderson  
32004000 Housing Authority of Hickman  
32004100 Housing Authority of Hodgenville  
32004300 Housing Authority of Horse Cave  
32004400 Housing Authority of Irvine  
32004500 Housing Authority of Irvington  
32005000 Housing Authority of Lancaster  
32005500 Housing Authority of London  
32005600 Housing Authority of Louisville  
32005800 Housing Authority of Madisonville  
32005900 Housing Authority of Manchester  
32006100 Housing Authority of Mayfield  
32006200 Housing Authority of Maysville  
32006300 Housing Authority of Middlesboro  
32006600 Housing Authority of Morgantown  
32006700 Housing Authority of Mt. Sterling  
32006800 Housing Authority of Mt. Vernon  
32006900 Housing Authority of Murray  
32007100 Housing Authority of Nicholasville  
32007200 Housing Authority of Olive Hill  
32007300 Housing Authority of Owensboro  
32007400 Housing Authority of Owingsville  
32007600 Housing Authority of Paintsville  
32007700 Housing Authority of Paris  
32008000 Housing Authority of Princeton  
32008200 Housing Authority of Radcliff  
32008300 Housing Authority of Richmond  
32008500 Housing Authority of Scottsville  
32008600 Housing Authority of Shelbyville  
32008700 Housing Authority of Somerset  
32008800 Housing Authority of Springfield  
32008900 Housing Authority of Stanford

32009000 Housing Authority of Stanton  
 32009200 Housing Authority of Tompkinsville  
 32009250 Housing Authority of Vanceburg  
 32009300 Housing Authority of Versailles  
 32009500 Housing Authority of Williamsburg  
 32009700 Housing Authority of Winchester  
 33000600 Kentucky Correctional Institution for Women  
 32004800 Kentucky Housing Corporation  
 31000500 Kentucky Mountain Bible College  
 31001300 Kentucky Wesleyan College  
 30010210 Kevil Natural Gas System c/o New Commonwealth Natural Gas  
 32004900 Knott County Housing Authority  
 30011016 LaCenter Natural Gas System c/o New Commonwealth Natural Gas  
 32005200 Lebanon Housing Authority  
 32010200 Legacy Farm Townhouses  
 30011368 Leitchfield Gas Company  
 32005300 Lexington Housing Authority  
 32005400 Liberty Housing Authority  
 30011584 Livermore City Utilities  
 32009800 Livermore Heights  
 32005700 Lyon County Housing Authority  
 34000200 Markwest Hydrocarbons  
 31001200 Midway College  
 31000600 Morehead State University  
 30012774 Morehead Utilities  
 30012780 Morgantown Natural Gas System  
 31000800 Mt. Carmel High School  
 32009900 Mt. Vernon Apartments  
 30012918 Murray Natural Gas System  
 31000700 Murray State University  
 32007000 Newport Housing Authority  
 30013640 North Middletown Water & Gas System  
 31000900 Northern Kentucky University Physical Plant Department  
 30014280 Olive Hill Natural Gas System  
 32007500 Paducah Housing Authority  
 30015035 Paintsville Utilities  
 3210500 Parkway Plaza Apartments  
 32010000 Patchen Place Apartments  
 32010100 Pickway Manor Apartments  
 30015553 Pikeville Gas System c/o Professional Services Group  
 32007800 Pineville Housing Authority  
 30015854 Prestonsburg City Utilities Comm.  
 32007900 Prestonsburg Housing Authority  
 32008100 Providence Municipal Housing Authority  
 30017360 Richmond Utilities Board  
 33000700 Roederer Correctional Complex  
 32008400 Russellville Housing Authority  
 32010300 Saddlebrook Apartments  
 30018144 Scottsville Gas Company  
 32009100 Sturgis Housing Authority  
 30018676 Sturgis Natural Gas System  
 30019530 Tompkinsville Natural Gas System  
 31001000 Union College  
 30021120 Vanceburg Utilities Gas Dept.  
 33000200 Western Kentucky Correctional Complex  
 30000001 Wheelwright Utility Commission  
 30022602 Wickliffe Natural Gas System c/o New Commonwealth Natural Gas

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WIRELESS COMPANIES - RADIOTELEPHONE (0400)  
 8000 Answering Service of Hopkinsville

10405 Arch Paging, Inc.  
 8625 Ford Communications  
 4000700 MariTel Communications, Inc.  
 4001300 NPCR, Inc. dba Nextel Partners  
 4000800 Nextel West Corporation  
 4001000 RAM Technologies, Inc.  
 9900 Tapp Communications Company, Inc.  
 10200 Telephone Answering Service Inc.  
 4000900 Tri-Star Communications, Inc. dba Mayfield Answering Service  
 10400 Tri-State Electronics, Inc.  
 4001100 Tritel Communications, Inc.  
 4001200 Tritel Finance, Inc.

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## WIRELESS COMPANIES - CELLULAR (0410)

4100900 ACC of Kentucky, LLC  
 10502 Appalachian Cellular General Partnership  
 10873 Cellular Phone of Kentucky, Inc. d/b/a Ramcell of Kentucky  
 10600 Cincinnati SMSA, Limited Partnership  
 10640 Cumberland Cellular Partnership d/b/a Bluegrass Cellular  
 10610 GTE Mobilnet of Clarksville, Inc.  
 10630 GTE Wireless of the Midwest  
 4100700 GTE Wireless of the South  
 10603 Kentucky CGSA, Inc., dba Bellsouth Mobility, Westel-Milwaukee, BSCC o  
 10872 Kentucky RSA #1 Partnership  
 10680 Kentucky RSA #3 Cellular General Partnership, d/b/a Bluegrass Cell  
 10681 Kentucky RSA #4 Cellular General Partnership, d/b/a Bluegrass Cell  
 4100100 Litchfield County Cellular, Inc. d/b/a Ramcell of Kentucky  
 10850 Mountaineer Cellular L.L.C. dba Kentucky Cellular  
 10900 New Par dba AirTouch Cellular  
 4100300 TeleSpectrum, Inc. dba 360 Degrees Communications Co.  
 10950 West Virginia Cellular Tele. Corp. d/b/a Cellular One of Huntingt  
 4100600 Westel-Milwaukee Company, Inc.

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## WIRELESS COMPANIES - PERSONAL COMMUNICATIONS SERVICES (PCS) (0420)

4200700 CBW of Kentucky  
 4200200 GTE Wireless of the Midwest  
 44451339 Horizon Personal Communications, Inc.  
 22250013 Powertel/Kentucky, Inc.  
 22250002 Southeast Telephone, Ltd.  
 4200100 Sprint Spectrum, L.P. Agent for WirelessCo., L.P.  
 4200500 SprintCom, Inc.  
 4200400 Third Kentucky Cellular Corporation dba Wireless 2000 Telephone  
 4200600 West Virginia PCS Alliance, L.C.

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## TELEPHONE COMPANIES - LOCAL EXCHANGE COMPANIES (0500)

11000 ALLTEL Kentucky, Inc.  
 11100 Ballard Rural Telephone Cooperative Corporation, Inc.  
 12700 BellSouth Telecommunications, Inc.  
 11200 Brandenburg Telephone Company, Inc.  
 11300 Cincinnati Bell Telephone Company  
 11500 Duo County Telephone Cooperative Corporation, Inc.  
 11600 Foothills Rural Telephone Cooperative Corporation, Inc.  
 11700 GTE South, Inc.  
 11800 Gearheart Communications Co., Inc. dba Coalfields Telephone Co.

11900 Highland Telephone Cooperative, Inc.  
 12000 Leslie County Telephone Company, Inc.  
 12100 Lewisport Telephone Company, Inc.  
 12200 Logan Telephone Cooperative, Inc.  
 12300 Mountain Telephone Cooperative, Inc.  
 12400 North Central Telephone Cooperative, Inc.  
 12500 Peoples Rural Telephone Cooperative Corporation, Inc.  
 12600 Salem Telephone Company  
 12800 South Central Rural Telephone Cooperative Corporation, Inc.  
 12900 Thacker-Grigsby Telephone Company, Inc.  
 13000 West Kentucky Rural Telephone Cooperative Corporation, Inc.

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TELEPHONE COMPANIES - COMPETITIVE LOCAL EXCHANGE CARRIERS (0505)  
 5001600 1-800 RECONEX, Inc.  
 5201200 AEP Communications, LLC  
 5001400 ALEC, Inc.  
 33313800 AT&T Communicaitons of The South Central States, dba Lucky Dog Pho  
 5200100 American Communications Services of Louisville, Inc.  
 5200200 American Communications Services of Lexington, Inc.,  
 5000400 Annox, Inc.  
 22251011 Business Telecom, Inc. dba BTI  
 5006700 Buy-Tel Communications, Inc.  
 22251273 CRG Internatinal, Inc. dba Network One  
 5009000 Choctaw Communications, Inc. dba Smoke Signal Communications  
 5001800 Comm South Companies, Inc. dba Kentucky Comm South, Inc.  
 22213700 Community Telephone Corporation  
 5013800 Dakota Services, Limited  
 5015800 Dial Tone, Inc.  
 5001500 EZ Phone, Inc.  
 5007200 EZ Talk Communications, L.L.C.  
 5006300 Express Telecommunications, Inc.  
 22251381 Ez-Tel Communications  
 5002700 Frontier Telemanagement, Inc.  
 22251116 GTE Communications Corporation  
 5019900 Hyperion Telecommunications of Kentucky, Inc.  
 22251137 ICG Telecom Group, Inc. fka ICG Access Services, Inc.  
 5015200 Image Access, Inc. dba NewPhone  
 22251221 Intermedia Communications, Inc.  
 5017300 JTC Communications, Inc.  
 5009200 Kentucky Christian College  
 33314050 LCI International Telecom Corp. dba Qwest Communications Services  
 22213610 LDD, Inc.  
 5002200 LEC-LINK  
 5009400 Level 3 Communications, L.L.C.  
 5200300 Louisville Lightwave/dba Lexington Lightwave, c/o Hyperion  
 5200700 MCIMetro Access Transmission Services, Inc.  
 5005100 Max-Tel Communications, Inc.  
 5015300 NET-tel Corporation  
 5013000 NOW Communications, Inc.  
 5016200 Navigator Telecommunications, LLC  
 5007600 Network Telephone, Inc.  
 5003300 Nustar Communications Corporation  
 5003200 OmniCall, Inc.  
 5002500 Omniplex Communications Group, LLC  
 5005600 Phone-Link, Inc.  
 22251158 Preferred Carrier Services, Inc. dba Phones for All  
 5006500 Quick-Tel Communications, Inc.  
 5018800 Ruddata Corporation dba Vision Communications  
 5016700 Smart-Tel  
 5000200 Southeast Telephone, LTD  
 5005500 State Communications, Inc.

5050210 Sun-Tel USA, Inc.  
 5200800 TCG Ohio  
 5000600 Tel-Link, L.L.C.  
 5012400 TeleConex, Inc.  
 22251356 Teligent, Inc.  
 5010600 The Other Phone Company, Inc. dba Access One Communications  
 5005400 Time Warner Communications of Ohio, LP  
 5018400 Touchtone Communications, Inc.  
 5018600 TranStar Communications, L.C.  
 5200500 U S West Interprise America, Inc.  
 33313570 USLD Communications, Inc. c/o Qwest Communications  
 22251046 UniDial Communications, Inc.  
 5014800 Vast-Tel Communications, Inc.  
 33351389 Z-Tel Communications, Inc.  
 5019200 dPi-Teleconnect, Inc.

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TELEPHONE COMPANIES - LONG DISTANCE CARRIERS (0510)  
 5128800 ACC TeleCom, Inc.  
 5136700 ACS Systems, Inc.  
 5136000 ACS Tel Com, Inc.  
 5133800 ACSI Local Switched Services, Inc. dba e.spire  
 5118400 ALLTEL Communications, Inc.  
 5125700 ASC Telecom, Inc. dba AlternaTel  
 13800 AT&T Communications of the South Central States, dba Lucky Dog Pho  
 5114800 ATCALL, Inc.  
 22250116 Access Integrated Networks, Inc.  
 5143200 Access One, Inc.  
 5123100 Access Point, Inc.  
 5133600 Accutel Communications, Inc.  
 5111000 ActiveTel L. D., Inc.  
 5130400 Advanced Management Services, Inc.  
 5120100 Advanced Telecommunications Network, Inc.  
 5142100 Advantage Telecommunications Corp.  
 13030 Affinity Corporation  
 13050 Affinity Network Incorporated  
 22213050 Affinity Network Incorporated dba QuantumLink Communications  
 5145000 Airnex Communications, Inc.  
 5141000 AllCom USA dba AllCom, AllCom International  
 5140100 Alliance Group Services, Inc.  
 5147100 Alliance Network, Inc.  
 5139800 Alta Communications Group, Inc.  
 13006 Alternate Communications Technology, Inc.  
 5102600 Amer-I-Net Services Corp.  
 5106400 AmeriVision Communications, Inc.  
 5145700 America Net, Inc.  
 5144000 America One Communications, Inc.  
 5126500 America's Tele-Network Corporation  
 5111400 American Cyber Corporation  
 5120600 American International Telephone, Inc.  
 5127500 American Long Lines, Inc.  
 13501 American Network Exchange, Inc.  
 5138500 American Nortel Communications, Inc.  
 5123900 American Tel Group, Inc.  
 5105700 American Telecommunications Enterprise, Inc.  
 5128700 American Telecommunications Systems, Inc.  
 5111100 American Telesource International, Inc.  
 5136900 Americatel Corporation  
 5120500 Ameritech Communications International, Inc.  
 22250004 Annox, Inc.  
 5142800 Associated Networks Partners, Inc.  
 5130200 Association Administrators, Inc.

5117200 Athena International, L.L.C.  
 5143500 Atlantic Telephone Company, Inc.  
 5115300 Atlas Communications, Ltd.  
 5134200 Atlas Equity, Inc. dba Performance Telecom  
 22250059 Axsys, Inc.  
 5111500 BLT Technologies, Inc.  
 22211100 Ballard Rural Telephone Cooperative Corporation, dba Ballard Lon  
 5124700 Bell Atlantic Communications, Inc.  
 5133000 BellSouth Long Distance, Inc.  
 5126900 BellSouth Public Communications, Inc.  
 5139300 Big Planet, Inc.  
 5146000 Blackstone Communications Company  
 5105800 Bluegrass Long Distance, Inc.  
 5135900 Bluegrass Telecom LLC  
 5117500 Budget Call Long Distance, Inc.  
 5122000 Business Discount Plan, Inc.  
 5118300 Business Options, Inc.  
 5101100 Business Telecom, Inc. d/b/a BTI  
 5138800 Buyers United International, Inc.  
 22205059 CAT Communications International, Inc.  
 5108300 CBS Corporation dba Westinghouse Communications  
 5116300 CEO Telecommunications, Inc.  
 5127300 CRG International, Inc. dba Network One  
 5137100 CSI Corp  
 5144700 CTC Communications Corp.  
 5131200 CTN Telephone Network, Inc.  
 5138200 Cable & Wireless Global Card Services, Inc.  
 5146700 Cable & Wireless Global Markets, Inc.  
 13009 Cable & Wireless USA, Inc.  
 5131700 Call Plus, Inc.  
 5112700 Calls for Less, Inc. dba CfL  
 5129600 CapRock Telecommunications Corp.  
 5112100 Caribbean Telephone and Telegraph, Inc.  
 5115600 Cellnet Telecommunications LLC of Michigan, dba C-Net Communicati  
 5144600 CenturyTel Long Distance, Inc.  
 5114300 CenturyTel Telecommunications, Inc.  
 5130900 Charities Network International, Inc.  
 5109500 Cherry Communications, Inc.  
 13200 Cincinnati Bell Long Distance Inc.  
 5119000 Citizens Telecommunications Company dba Citizens Communications  
 5128500 Claricom Networks, Inc.  
 5105100 Coast International, Inc.  
 5128600 Coast To Coast Telecommunications, Inc.  
 5118600 Coastal Telecom Limited Liability Company  
 5118000 Coin Phones, Inc. dba Indicom  
 5131800 Coleman Enterprises, Inc. dba Local Long Distance  
 5109700 Colorado River Communications Corp.  
 5146600 Columbia Telecommunications, Inc. dba aXessa  
 5131500 ComTel Computer Corporation  
 5134300 Combined Billing Corporation  
 5137600 Comcast Telecommunications, Inc. dba Comcast Long Distance  
 5116900 Comdata Telecommunications Services, Inc.  
 5143700 CommPlus, L.L.C.  
 5121300 Common Concerns, Inc.  
 5137500 Communication Network Services, LLC  
 5121400 Communication Options, Inc.  
 5122600 Communication Telesystems International, dba  
 5137200 Communications Billing, Inc.  
 13700 Community Telephone Corporation  
 22250112 Computer Business Sciences, Inc.  
 5140400 Comtex Corporation  
 5145800 Concert Communications Sales, LLC  
 5123800 Connect America Communications, Inc.  
 22250178 Connect, L.L.C.

5133400 ConnectAmerica, Inc.  
 5141800 Consolidated Billing Provider, LLC  
 5146900 Convergent Communications Services, Inc.  
 5139000 CoreComm Newco, Inc. dba CoreComm  
 5135800 Corporate Calling Services, Inc.  
 5123000 Corporate Services Telcom, Inc.  
 5143000 Cyberlight International, Inc.  
 5119100 D.D.D. Calling, Inc.  
 22255013 DSLnet Communications, LLC  
 5150349 DavelTel, Inc.  
 5117400 Deltatel, Inc.  
 5121500 Destia Communications, Inc.  
 5111200 Digital Network Services, Inc.  
 5145900 Direct American Marketers, Inc. dba Direct One  
 5132900 Discount Call Rating, Inc. dba Flat Rate Long Distance dba Conne  
 5126600 Discount Network Services, Inc.  
 5135300 Discount Utilities, LLC  
 5133500 Discounted Long Distance, Inc.  
 5123400 ECS Enhanced Cellular Systems Network USA, Inc.  
 5104400 EQuality Incorporated  
 22250015 EZ Phone, Inc.  
 5139200 Eagle Telecom, Inc.  
 5122500 Eastern Telecommunications, Inc.  
 5119900 Easton Telecom Services, Inc.  
 5107800 Eclipse Telecommunications, Inc.  
 5135100 Efficcy Group, Inc.  
 5133100 Electric Lightwave, Inc.  
 5134500 Elias Ventures, Inc. dba American Freeway 100  
 5141600 Enhanced Communications Network, Inc  
 5107900 EqualNet Corporation  
 22250330 Essex Communications, Inc.  
 13203 Excel Telecommunications, Inc.  
 5138100 Ez-Tel Communications  
 5146200 FON Digital Network, Inc.  
 5137000 FaciliCom International, L.L.C.  
 5114100 Federal Transtel, Inc.  
 5145400 First Communications, L.L.C.  
 5140800 FirstWorld Communications, Inc.  
 5106300 Frontier Communications International, Inc.  
 5129500 Frontier Communications Services, Inc.  
 5103300 GE Capital Communications Corp. d/b/a GE Exchange  
 5130300 GST Net, Inc. dba ITG  
 5144900 GTC Telecom  
 5111600 GTE Communications Corporation  
 5131000 GTI Telecom, Inc.  
 5119200 GTN Corporation dba Global Telecom Network  
 5121900 Global Telemedia International, Inc.  
 5127900 Global Telephone Corporation  
 5140500 Global Telesys Corporation  
 5145600 Glyphics Communications, Inc.  
 22250226 Golden Harbor of Kentucky, Inc.  
 5126800 Group Advantage Providers, LLC  
 5124100 Group Long Distance, Inc.  
 5115500 Gulf Long Distance, Inc.  
 5139400 HJN Telecom, Inc.  
 5128300 Harlan 2-Way, Inc.  
 5126400 Hebron Communications Corporation  
 5101600 Hertz Technologies, Inc.  
 5129100 Highland Communications Corporation of Tennessee  
 5105200 Home Owners Long Distance, Inc.  
 5133900 Horizon Personal Communications, Inc. dba Horizon Long Distance  
 5105400 Hospitality Telecom Solutions  
 5119300 Host Network, Inc.  
 5124900 I-Link Communications, Inc.

5113700 ICG Telecom Group, Inc.  
 5110000 IDT America, Inc.  
 5107200 ITC DeltaCom Communications, Inc.  
 5110800 IXC Communications Services, Inc.  
 5112800 IdealDial Corporation, Inc.  
 5109000 Inacom Communications, Inc.  
 5110100 Incomnet Communications Corporation  
 5119400 Info-Tel, Inc.  
 5128200 Inmark, Inc. dba Preferred Billing  
 5120700 Innovative Telecom Corporation  
 5108400 Integrated Teletechnologies, Inc.  
 5146100 Intelcom, Inc.  
 5116000 Intelicom International Corporation  
 5130600 Intellicall Operator Services, Inc.  
 5120900 Intelnet International Corp. dba Hotel Digital Network  
 5137400 Inter-Mountain Cable, Inc., dba Mikrotec LD, Universal LD, Coal Fie  
 5143900 Inter-Tel NetSolutions, Inc.  
 5124600 Intercontinental Communications Group, Inc., dba Fusion Telecom  
 5122100 Intermedia Communications, Inc.  
 5144300 International Exchange Communications, Inc., dba IE Com  
 5125600 International Telecom, Ltd.  
 5131100 International Telecommunications Corp., dba Network Communications  
 5141100 Internet Telephone Company  
 5108200 Interstate FiberNet, Inc.  
 5114400 J D Services, Inc. dba American Freedom Network  
 5133300 KCI Long Distance, Inc.  
 22250092 Kentucky Christian College  
 5100900 Kentucky Data Link, Inc.  
     14050 LCI International Telecom Corp. dba Qwest Communications Services  
 5112400 LDC Telecommunications, Inc.  
     13610 LDD, Inc.  
 5109900 LDM Systems, Inc.  
     71500 LECNET, Inc.  
 5124000 Least Cost Routing, Inc. dba Long Distance Charges, Inc.  
 5144100 Legends Communications, Inc.  
 22250094 Level 3 Communications, LLC  
 5142200 LoTel, Inc. dba Coordinated Billing Services  
 5140200 Logix Communications Corporation  
 5142300 Long Distance America, Inc.  
 5123500 Long Distance Consolidated Billing Co.  
 5122400 Long Distance Direct Holdings, Inc.  
 5129300 Long Distance International, Inc.  
 5108000 Long Distance Services, Inc.  
 5120400 Long Distance Wholesale Club  
 5131600 Long Distance of Michigan, Inc. dba LDMI Long Distance  
     14100 MCI WorldCom  
 22252007 MCImetro Access Transmission Services, Inc.  
 5126000 MTC Telemangement Corporation  
 5136100 MVX Communications, LLC  
 5140000 Main Street Telephone Company  
     13425 Matrix Telecom, Inc.  
 5145200 Maxxis Communications, Inc.  
 5126200 McLeodUSA Telecommunications Services, Inc.  
 5141400 Megsinet-CLEC, Inc.  
 5125500 Meridian Telecom Corporation  
 5142400 Metracom, LLC  
 5106000 Metropolitan Fiber Systems of Kentucky, Inc.  
 5132800 Micro-Comm, Inc.  
 5125100 Minimum Rate Pricing, Inc.  
 5110200 Murdock Communications Corp.  
 5129000 NET-tel Corporation  
 5146500 NEXTLINK Long Distance Services, Inc.  
 5143800 NOR Communications, Inc.  
     13617 NOS Communications, Inc.

5146300 NOS Communications, Inc. dba International Plus  
 5105900 NOSVA, Limited Partnership  
 5136200 NOVA Telecom, Inc.  
 22251030 NOW Communications, Inc.  
 5133700 NTI Telecom, Inc.  
 5137700 NXLD Company  
 5122900 NYNEX Long Distance Company dba Bell Atlantic Long Distance  
 5103800 National Accounts, Inc.  
 5143100 National Brands, Inc. dba Sharenet Communications Company  
 5135200 National Telecom, Inc.  
 5126300 Nations Bell, Inc. dba Nations Tel and MTS/Communicall  
 22250162 Navigator Telecommunications, LLC  
 5111300 NeTel, Inc.  
 5139500 Net2000 Communications Services, Inc.  
 5141900 Network Billing Systems, L.L.C.  
 5146800 Network Communications International Group  
 5140300 Network International, LC  
 5135000 Network Operator Services, Inc.  
 5106600 Network Plus, Inc.  
 22250076 Network Telephone, Inc.  
 5136600 New Century Telecom, Inc.  
 5130800 New Concept Communications, LLC  
 5134700 New Media Telecommunications, Inc.  
 22250147 New Millennium Communications Corp.  
 5141500 New Millennium ConQuest Service Corp.  
 22250132 NewSouth Communications Corp.  
 5136400 Nexstar Communications, Inc.  
 5135700 NextCom of Kentucky, LLC  
 13615 Norstan Network Services, Inc.  
 5127400 North American Telephone Network, Inc  
 22250033 NuStar Communications Corp.  
 5141200 OPEX Communications, Inc.  
 22250032 OmniCall, Inc.  
 33350025 Omniplex Communications Group, LLC  
 13575 One Call Communications, Inc. dba OPTICOM  
 5143400 OneStar Long Distance, Inc.  
 5102800 Operator Service Company  
 5113400 Overlook Communications International Corporation  
 5147000 Ozark Telecom, Inc.  
 22250098 P.V. Tel of Kentucky, LLC  
 5118200 PNG Telecommunications, Inc.  
 5123200 PT-1 Communications, Inc.  
 5129700 PTT Telekom, Inc.  
 5144500 PaeTec Communications, Inc.  
 5113800 Pantel Communications, Inc.  
 5134900 Paradigm Communications Corp. dba Global Communications Network  
 5138300 Park N' View, Inc.  
 13618 Phoenix Network, Inc.  
 13625 PhoneTel Technologies, Inc.  
 5115800 Preferred Carrier Services, Inc. dba Phones for All  
 13627 Premiere Communications, Inc.  
 5135400 Pride America, Inc.  
 5138400 Primecall, Inc.  
 5114700 Primus Telecommunications, Inc.  
 5127100 Priority Communications International, Inc., dba PRICOMM  
 5143300 Promise-Net International, Ltd.  
 5131900 Protel Advantage, Inc. dba Long Distance Savings  
 5114500 QAI, Incorporated dba Long Distance Billing  
 5105500 Quest Telecommunications, Inc.  
 22250017 Quintelco, Inc.  
 5108700 Qwest Communications Corporation  
 5133200 RCN Long Distance Company  
 5120800 RRV Enterprises, Inc. dba Consumer Access  
 5140600 RSL COM PrimeCall, Inc.

5129800 RSL COM U.S.A., Inc.  
 5134400 SBR, Inc.  
 5127700 SETEL, LLC  
 5114600 SNET America, Inc.  
 5137800 ST Long Distance, Inc.  
 5137300 Satelink Paging, LLC  
 5142600 Satlink 3000, Inc. dba Independent Ntwk. Services Corp.  
 5131300 Shared Communications Services, Inc.  
 5135500 SmartStop, Inc.  
 5145300 SouthNet TeleComm Services, Inc.  
 5124200 Southeast Telephone, LTD.  
     13504 SouthernNet, Inc.  
 5132400 Southwestern Bell Communications Services, Inc., dba Nevada Bell L  
 5142000 Special Accounts Billing Group, Inc.  
 5130700 Speer Communications Virtual Media, Inc.  
     14000 Sprint Communications Company L.P. Southeast Division  
 5115900 Starlink Communications, LLC  
 5128000 Startec Global Licensing Company  
 22250055 State Communications, Inc.  
 5132200 StormTel, Inc.  
 5139700 Supra Telecommunications and Information Systems, Inc.  
 22253003 T-NETIX, Inc.  
 22252008 TCG Ohio  
 5140900 TRI-M Communications, Inc. dba TMC Communications  
 5122700 TTI National, Inc.  
 5100700 Tel-Save, Inc. dba The Phone Company  
 5141300 TelCorp, Ltd.  
 5111800 Telco Holdings, Inc.  
 5128100 Telco Partners, Inc.  
 5131400 TeleHub Network Services Corp.  
 5125900 TeleSpectrum, Inc. dba ALLTEL/360 Degrees  
 5125200 Telec, Inc.  
 5100500 Telecare, Inc.  
 5138000 Telecom Resources, Inc.  
 5142700 Telecommunications Cooperative Network, Inc.  
 5142500 Telecommunications Resources, Inc.  
 5107600 Telecommunications Service Center, Inc.  
 5142900 Teleglobe USA, Inc.  
     13667 Telegroup, Inc.  
 5135600 Teligent, Inc.  
 5124300 Telscape USA, Inc.  
 5107700 Teltrust Communications Services, Inc.  
 5144200 The Free Network, L.L.C.  
 5102700 The Furst Group, Inc.  
 5134600 The Millennium Group Telemanagement, LLC  
 5136300 The Telephone Co. of Central Florida  
 22242004 Third Kentucky Cellular Corp. dba Wireless 2000 Telephone Company  
 5105600 Thrifty Call, Inc.  
 22250054 Time Warner Communications of Ohio, L.P.  
 5140700 Toly Digital Network, Inc.  
 5110500 Total-Tel USA Communications, Inc.  
 5121600 Touch 1 Communications, Inc.  
     13668 Touch 1 Long Distance, Inc.  
 5124500 Transcommunications, Inc.  
     13506 Transnational Communications, Inc. dba Members' Long Distance Adv  
 5118800 TresCom U.S.A, Inc.  
 5125800 U S WEST Long Distance  
 5105300 U. S. Digital Network Limited Partnership  
 5139600 U. S. Network Services, Inc.  
 5103200 U. S. Osiris Corporation d/b/a American Roaming Network  
 5127800 U. S. Republic Communications, Inc.  
 22205037 US LEC of Tennessee, Inc. Transamerica Square  
 5123600 US South Communications, Inc. dba US South and dba INCOMM  
 5101500 US WATS, Inc.

22250011 US Xchange of Kentucky, L.L.C.  
 5124400 USA Global Link, Inc.  
 5132300 USA Tele Corp.  
 5134100 USBG, Inc.  
     13570 USLD Communications, Inc. c/o Qwest Communications  
 5117700 USN Communications Long Distance, Inc.  
 5141700 USP Communications, Inc.  
 5118500 UStel, Inc.  
 5144800 Uni-Tel Communications Group, Inc.  
 5104600 UniDial Communications, Inc.  
 5132100 United Services Telephone, LLC  
 5145100 United States Advanced Network, Inc.  
 5109600 V.I.P. Telephone Network, Inc.  
 5123700 Value-Added Communications, Inc.  
 5102400 VarTec Telecom, Inc. dba Clear Choice Communications  
 5137900 Vast-Tel Communications, Inc.  
 5117100 Vista Group International, Inc. dba Vista Communications  
 5104300 Vista International Communications, Inc.  
 5132600 VoCall Communications Group  
 5119700 Voice Telephone Company  
     13685 WATS/800, Inc.  
 5144400 West Kentucky Networks, Inc.  
 5138700 Western Tele-Communications, Inc./ Retail Sales Group  
 5143600 Williams Communications, Inc. dba Vyvx, Inc.  
 5100800 WinStar Gateway Network, Inc.  
 5121000 WinStar Wireless, Inc.  
 5101800 Working Assets Funding Service, Inc. d/b/a Working Assets Long Di  
 5108600 World Wide Communications, Inc.  
     13580 WorldCom Network Services, Inc.  
 5132500 WorldCom Technologies, Inc.  
 5136800 WorldTouch Communications, Inc.  
 5103000 Worldtel Services, Inc.  
 5117300 Xtracom, Inc.  
 5138900 Z-Tel Communications, Inc.  
 5122200 Zenex Long Distance, Inc.  
 5145500 erbia Network, Inc.  
 5139100 iTelsa (USA), Inc.

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TELEPHONE COMPANIES - OPERATOR SERVICES (0530)  
 22251288 ACC TeleCom, Inc.  
 22251184 ALLTEL Long Distance, Inc.  
 22251257 ASC Telecom, Inc. dba AlternaTel  
 22213800 AT&T Communications of the South Central States, dba Lucky Dog Pho  
 22213006 Alternate Communications Technology, Inc.  
 22213501 American Network Exchange, Inc.  
 22251057 American Telecommunications Enterprise, Inc.  
 22251111 American Telesource International, Inc.  
 22251205 Ameritech Communications International, Inc.  
 22251330 BellSouth Long Distance, Inc.  
 22251269 BellSouth Public Communications, Inc.  
 22251393 Big Planet, Inc.  
 33351273 CRG International, Inc. dba Network One  
 22213009 Cable & Wireless USA, Inc.  
 22251127 Calls for Less, Inc. dba Cfl  
 22251121 Caribbean Telephone and Telegraph, Inc.  
 22251143 CenturyTel Telecommunications, Inc.  
 22251097 Colorado River Communications Corp.  
 22251466 Columbia Telecommunications, Inc. dba aXessa  
 22251437 CommPlus, L.L.C.  
 22251214 Communication Options, Inc.  
 22251226 Communication Telesystems International, dba

33313700 Community Telephone Corporation  
 70500 ConQuest Operator Services Corp.  
 5300100 Connect America Communications, Inc.  
 22251162 Consolidated Communications Telecom Services, Inc.  
 22250349 DavelTel, Inc.  
 22251174 Deltatel, Inc.  
 22251082 Eastern Telecom, Inc. d/b/a Interquest  
 22251079 EqualNet Corporation  
 22251454 First Communications, L.L.C.  
 22251408 FirstWorld Communications, Inc.  
 22251063 Frontier Communications International, Inc.  
 22251155 Gulf Long Distance, Inc.  
 22251054 Harvey HTS d/b/a Hospitality Telecom Solutions  
 22251291 Highland Communications Corporation  
 22251339 Horizon Personal Communications, Inc. dba Horizon Long Distance  
 22251194 Info-Tel, Inc.  
 22251306 Intellicall Operator Services, Inc.  
 22251246 Intercontinental Communications Group, Inc., dba Fusion Telecom  
 22214050 LCI International Telecom Corp. dba Qwest Communications Services  
 22271500 LECNET, Inc.  
 22251441 Legends Communications, Inc.  
 33352007 MCImetro Access Transmission Services, Inc.  
 22251102 Murdock Communications Corp.  
 22251337 NTI Telecom, Inc.  
 22251431 National Brands, Inc. dba Sharenet Communications Company  
 22251263 Nations Bell, Inc. dba Nations Tel and MTS/Communicall  
 22251468 Network Communications International Group  
 22251350 Network Operator Services, Inc.  
 22251415 New Millennium ConQuest Service Corp.  
 22213615 Norstan Network Services, Inc.  
 22251274 North American Telephone Network, Inc  
 22251229 Nynex Long Distance Company dba Bell Atlantic Long Distance  
 22250025 Omniplex Communications Group, LLC  
 22213575 One Call Communications, Inc./Opticom  
 72000 Operator Communications, Inc. dba OCI  
 22251028 Operator Service Company  
 22213625 PhoneTel Technologies, Inc.  
 5300400 Pilgrim Telephone, Inc.  
 22213627 Premiere Communications, Inc.  
 22251271 Priority Communications International, Inc., dba PRICOMM  
 77500 QCC, Incorporated  
 33350017 Quintelco, Inc.  
 22251426 Satlink 3000, Inc. dba Independent Ntwk. Services Corp.  
 22251313 Shared Communications Services, Inc.  
 22256051 Southern Telephone Company, Inc.  
 22213504 SouthernNet, Inc.  
 22214000 Sprint Communications Company L.P. Southeast Division  
 5300300 T-NETIX, Inc.  
 22251076 Telecommunications Service Center, Inc.  
 22251077 Teltrust Communications Services, Inc.  
 22251188 TresCom U.S.A., Inc.  
 22251258 U S WEST Long Distance  
 22251032 U. S. Osiris Corporation d/b/a American Roaming Network  
 33305037 US LEC of Tennessee, Inc. Transamerica Square  
 22213570 USLD Communications, Inc. c/o Qwest Communications  
 22251417 USP Communications, Inc.  
 22251237 Value-Added Communications, Inc.  
 22251436 Williams Communications, Inc. dba Vvyvx, Inc.  
 22213580 WorldCom Network Services, Inc.  
 22251325 WorldCom Technologies, Inc.  
 22251389 Z-Tel Communications, Inc.

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TELEPHONES - CUSTOMER OWNED COIN OPERATED TELEPHONES (0560)

50048300 13th Street Club

50035900 3 Way Food Mart Incorporated

50068300 A. O. Smith Corporation

50009900 A.C.T. Dev., Inc. d/b/a Convenient Food Mart #152

50051400 A.D.E. of Lexington

50000100 A.N.B. Pay Phones, Inc.

5600600 AAA Telephone Services, Inc.

50066400 AMTEL Communication, Inc. Regulatory Affairs

50002500 AT&T

50049400 Able Enterprises

50047900 AccuCom, Incorporated

50071900 Adler Communications

5600700 Advanced Payphone Systems, Inc.

50061600 Alvin B. Baldwin

50063100 Amer Penik d/b/a Bier Haus

5607400 AmeriCall, Inc.

5601800 American Communications, Inc.

50060400 American Legion G.I. Joe Post 244

5605700 American Telephone Exchange

50017000 Ameristop #29105, Inc.

50017100 Ameristop Food Mart # 29068

5604400 Ameritech Payphone Services, Inc.

50049900 Apples Amusement Company

50077100 Arnold Communications

50045400 Aron L. Seligman d/b/a Seligman Enterprises Selcotel

50002200 Ashmore Distributions, Inc.

50002400 Astro, Inc.

50068200 Atkins Easy Wash

50028100 B & P Associates

50073800 B Klean Laundry III

5609100 BPPM

50066500 Backdoor Lounge

50003000 Bank Street Liquors

50076900 Barret Bar

50073200 Barrétt & Company School of Hair

50003500 Batt-N-Putt

5609600 Bear Enterprises, Inc.

50073900 Becky's Place

5602000 BellSouth Public Communications, Inc.

50057800 Benihana of Tokyo, Inc.

50005600 Betty Buell

5602600 Big Bear Resorts, Inc.

50068500 Blades Company

5600100 Blair Telephone Company

50057900 Blisco, Inc. dba Letton's Bar & Grill

50064700 Bluegrass Payphone Systems

50063400 Bluffs Apartments

5600500 Bobby W. Duncan, Owner

50074000 Bowling Green Plaza/Convention Center

50005200 Boxley, Inc. d/b/a Unical 76

50041700 Brenda & Terry, Inc. d/b/a C. W. Goodnight

50062400 Burger King #3330

50068600 C & C Communications

50074200 C & E Enterprises

5609500 CFM 2925, Inc.

50043100 CTMS, Inc. d/b/a Golden Nugget

50054800 Campbell County VFW Post #3205

50044300 Cast Away Lounge

50052400 Celerity Communications

50074300 Charles Webb

50066800 Chris Cowart, Owner

50072800 Cinemark USA, Incorporated

5604900 City Check Advance  
50047500 Clark Allison d/b/a Top Value Phone Company  
50034700 Classic Vending, Inc.  
5604000 Club 641  
5605600 Coin OP, Inc.  
50007500 Coin Phone Management Company  
22251180 Coin Phones, Inc. dba Indicom  
50073000 College Drug  
50052600 Colonial Cottage Inn  
50068000 Colonial House Restaurant  
50072100 Columbia Telephone Company  
5605300 Communication Connection  
50008600 Communications Central, Inc.  
5603300 Condrey Incorporated  
50009000 Consolidated Health Systems  
50046800 Convenient Food Mart #049, Inc.  
50009400 Convenient Food Mart #089, Inc.  
50009600 Convenient Food Mart #136, Inc.  
50070700 Convenient Food Mart #175  
50077500 Cooke & Cooke, Inc.  
5609700 Coomes Communications, LLC  
50039500 Corbin Travel Plaza, Inc. d/b/a Clay's Ferry Travel Plaza  
50011300 Corbin Union 76  
50011400 Cork & Bottle Liquor Store  
50059100 Corner Marathon  
5607300 Credence Speakers, Inc.  
5608900 Crestline Communications, LLC  
50011900 Cumberland River CCC American Greeting Road  
50072300 Cybertech Electronics and Communications  
50077000 D & A Properties, Inc.  
5604600 D & J Pay Phones  
50074400 D & T Payphones  
50057000 DGI Communications, Inc.  
50046700 Dairy Mart #071  
50045200 Dairy Mart #140  
50065600 Dave's Amusement  
50074500 Deep Hill Communications  
50055700 Dennie Landrum, Owner Dey Trey, Inc.  
50013000 Derbytown Entertainment  
50021200 Diamond Enterprises  
50041300 Dollars and Cents Payphones  
50004600 Don Bolte d/b/a Green Mountain Park  
50074600 Don Lindsey Market  
50061500 Dr. Bernard Moses  
50050500 Dutch's Tavern  
50074700 Dynabody Fitness  
5607900 ETS Payphones, Inc.  
50013300 Eastern Telephone Credit Corp., Inc.  
50013800 Eight Ball Restaurant  
50067300 El Nobal  
50013900 Electro Wire Products, Inc.  
50060500 Emily Investments, Inc.  
50068800 Erpenbeck Construction  
5609400 Evercom Systems, Inc.  
50014700 Farmer Enterprises, Inc. d/b/a Convenient Food Mart  
50008300 Fast Lane Food & Fuel Centers, Inc.  
50064900 Fastway, Inc.  
5606900 Fern W. Blandford d/b/a Hilltop Communications  
50015000 Finley's of Danville, Inc.  
50054100 Four S Corporation d/b/a The Cove  
50061700 Franklin County Health Department  
5603000 Fraternal Order of Eagles  
50053600 Freedom Foods, Inc.  
50051500 Frenchburg Job Corps

50068700 G & G Investments  
 50074900 G C I Telecom, Inc.  
 5608500 GCB Communications, Inc. dba Pacific Communications  
 5608600 GMC Holding Corporation  
 50067200 Gary Parrish, Owner  
 5608800 Gateway Technologies, Inc.  
 50068900 Genesis Telecommunications  
 5604700 Genisys Communications & Electronics  
 50075000 Gilligan Restaurant  
 50047600 Global Telcoin, Inc.  
 50073100 Green Bamboo, Inc.  
 50062000 Green Star Distributor  
 50045300 Greg Hart Communications, Inc.  
 50075100 H I S Kentucky  
 5608300 H.L.W. Communications  
 50075200 Hale's Bait Shop  
 5602800 Hardin Barber Shop  
 50050300 Hardin County Roller Rink  
 50075300 Harper's Country Hams  
 50060100 Hazelwood Coin Laundry  
 50077400 Heine Brothers' Coffee, Inc.  
 50017400 Helton & Associates  
 50069000 Heritage Academy  
 50062500 Heydays  
 5603400 Hickory Hill Resort  
 50060300 Highland Cleaners  
 50075400 Highlander Center Coin Laundry  
 50060600 Highview Baptist School Coin Telephone Accounts Payable  
 50063900 Hillshire Farms & Kahns  
 50053000 Homart Development  
 50059800 Honest Abe's Halls  
 50057200 Hoosier Payphones  
 50058100 Hopkins County Madisonville Library  
 50058400 Hurstbourne Business Office Park c/o George Clark  
 50062100 Impak Graphics  
 50055600 Inmate Phone Systems Corporation  
 33351306 Intellicall Operator Services  
 50019400 International Payphones, Inc.  
 50061400 Intrepid Enterprises  
 5608400 Isaac Madison Company  
 50075600 J-Tel  
 50064100 JD's Food Mart  
 50053100 JDF Phones Corporation  
 50049500 James & Greg Brenzel  
 5606800 James E. Miller  
 5604500 James H. Simpson General Manager  
 50069100 James R. Johnson, Owner  
 50075700 Jas Earl Woolery  
 50058500 Jefferson County Medical Society Outreach Program  
 50058600 Jeffersontown Moose Lodge #2127 c/o Marvin Thomas  
 50040100 Jerry Lee, Owner  
 50062300 Jimmie's Rollerdrome  
 50042700 John Jr's Tavern  
 5603100 Jonathan Creek Baptist Assembly  
 50043200 Joseph A Ryan, Inc. d/b/a More Shenanigans  
 50031700 K & H Network  
 50072500 K. D. Associates  
 50067500 KPV Enterprises of Knoxville  
 50055000 KYT, Inc. (Kentucky Telephone, Inc.)  
 5602500 Karen Hall dba Advantage Payphones  
 50069300 Kelley's Stables  
 50058700 Ken & Bob's Liquor & Restaurant  
 50022900 Ken's Liquors, Inc. d/b/a Liquor City  
 50069400 Kentek Communications

50020900 Kentucky Coin Pay Phones, Inc.  
50055500 Kentucky Communications Company  
50061900 Kentucky Leadership Center  
50021100 Kentucky Telephone Corporation  
5604200 King Creek Resort  
50075800 Kings Daughters and Sons Home  
50021400 Kingsway Skateland of Paducah, Inc.  
50075900 Kinkton's Duffy Tavern, Inc.  
5603200 Knights of Columbus  
50060700 Kountry Korner Market  
5604100 Lakeland Wesley Village  
5603500 Lakeside Campground  
5603700 Lakeview Cottages  
50048100 Lamastus Chevron  
50014600 Larry Chapman d/b/a Farm Boy Food Mart  
50022200 Lausman Oil Company  
50022300 Lear Siegler Seating Corporation  
50022600 Liberty Telephone, Inc.  
50022800 Lindale Management, Inc.  
5607700 Liquor World  
50047700 Lou Bonar  
50076000 Louisville Scrap Material  
50023300 Louisville Stoneware Company  
50076100 Lyndon Recreation Association  
50069500 M & M Payphones  
50050600 M. F. Enterprises  
50052800 M. G. Pay Phones  
50024100 MCI WorldCom  
50051900 MSSX Incorporated  
50058800 Malano's Restaurant  
5602300 Malcolm Creek Resort  
50057400 Marty Craycraft, Owner  
5607100 Matheis Novelty Company, Inc.  
5607500 Maximillion Industries, Inc.  
50047200 Medical Heights Park  
50058900 Mediplex Rehab  
50024800 Mercy Hospital  
5608200 Metrophone Telecommunications, Inc.  
5607000 Michael A. Holoday d/b/a Atlantic & Gulf Communications  
50076200 Middletown Recreation Association  
50061000 Monty Crawford, Owner  
50033400 Moody's Liquors  
5605800 Mor-Phone  
50026400 Mountain Enterprises, Inc.  
5601300 Mountain Payphone  
50066200 Mountain Telco Service  
5608000 Mt. Sterling/Montgomery County Parks & Recreation  
50026600 Murphy's Place, Inc.  
5602400 Murray-Calloway County Airport Board  
50026800 Nash Payphone Company  
5605200 National Public Phone Co., Inc.  
50066700 Nicholas County Elementary School  
50065200 North American InTeleCom  
50062900 Northern Kentucky Auto Auction  
50049600 O'Daniel Liquors  
50065400 Old Louisville Laundry and Dry Cleaners  
50053800 Olde Fort Pub, Inc.  
50042100 Owens Realty Co. d/b/a Owens Medical Center  
50046400 Owens TeleCom Service  
50069600 Owens-Brockway Containers  
5608100 Pacific Coin  
50060800 Pamida Discount Centers, Inc.  
50059200 Paris Machining Company, Inc.  
5600400 Pay Com, Inc.

50066100 Pay Tel Communications  
 50029300 Pay-Tel of America, Inc.  
 5609000 People Owned Payphones, Inc.  
 50029900 Peoples Telephone Company, Inc.  
 50059300 Phelps Community Medicare Center  
 50047400 PhonHome  
 50030100 Phone Shop Payphone Service  
 50071500 Phone-Tech, Inc.  
 33313625 PhoneTel Technologies, Inc.  
 50067100 Piccadilly Cafe L-K  
 50069700 Pilot Corporation #321  
 50037100 Pohlmann-Linnemann VFW Post #1484  
 5606200 Preferred Vending, Inc.  
 50053900 Premier Industries  
 50040700 Premier Payphone Services, Inc.  
 50063800 Prestolite Electric, Inc.  
 50004800 Preston H. Baugh Convenient Food Mart #018, Inc.  
 5603800 Prime Property Investments, LLC  
 5606300 Professional Payphone Services, LLC  
 50063000 Promises Club, Inc.  
 50052200 Public Telephone, Inc.  
 50024500 Quarter Time Communications of Kentucky, Inc.  
 50050200 Quicksilver Communications  
 50069800 R & D's Lucky Deli  
 50059400 R.C. Evans, Owner  
 50032300 RSM Communications  
 50076300 Rack Time, Inc.  
 5601200 Rafferty's, Inc. dba Montana Grille  
 50059500 Randall Bowling  
 50068100 Ranger Bob's Bait and Tackle  
 5601500 Reed Enterprises  
 50076400 Rem Dreams, Inc.  
 50065800 Resort Hospitality Service  
 50058000 Rio's Steak House  
 50065900 Roadkill Cafe  
 50073400 Robert Longbrake, Owner  
 5601700 Robert S. Edgerton dba Tennessee Telephone Audit Serv.  
 5605500 Russell Communications c/o Sportsman Lounge  
 50063600 STI Towing & Service  
 50062800 Saddlebrook Farms  
 50076500 School of Hair Design  
 50067600 Service Telecommunications, Inc.  
 5607600 Shadwell Farms, Inc.  
 50046900 Shady Lawn Tavern  
 5606500 Shamrock Resort  
 5602200 Shawnee Bay Resort  
 50061200 Shelton Enterprises  
 50069900 Signode Corporation  
 5600300 Silver Heights Carwash, Inc.  
 5607200 Sine Communications, Inc.  
 50033300 Skateway USA, Inc.  
 50070000 Skyway Freight System  
 50046600 Snac-N-Pac Foods #30, Inc.  
 5605100 Southern Telephone Company, Inc.  
 50072600 Speaks Chevron  
 5602700 Sportsman Lodge  
 5607800 Sprint Payphone Services, Inc.  
 50076600 St. Gabriels Gym  
 50059600 Stich Properties  
 5601600 Sumitomo Electric Wiring Systems, Inc  
 5608700 Summerfield Health & Rehab Center  
 50042600 Super Suds Coin Laundry  
 50065500 Superior Care Home  
 5606100 Sweethome Communication, Inc.

50067700 T & L Communications, Inc.  
 5601400 T & T Payphones  
 5606600 TSC Payphone Corp.  
 50041100 Tel-A-Coin Business Phones, Inc.  
 50034900 Telaleasing Enterprises, Inc.  
 50035100 Tele-America Communications  
 50039600 TeleCoin Communications, Ltd.  
 5602100 Telephone Operating Systems, Inc.  
 5601900 Telespan Communications, Inc.  
 50035600 Telesys Corporation  
 50064800 Teletouch  
 5609200 Telsouth, LLC  
 50059700 Terward, Inc.  
 50005100 The Bowlodrome, Inc.  
 50070100 The Drees Company  
 50021800 The Kroger Company  
 50063500 The Laundry Chute  
 50077300 The Mac Line  
 5600900 The Payphone Company  
 5605400 The Sawmill, Inc. dba Fort Rock Night Club  
 50048200 The Warsh House  
 50064400 Thomas Grocery  
 50035800 Three Brothers II  
 50036000 Todd Communications Company  
 5606700 Ton Services  
 50036100 Tony's Brake & Alignment Service Co.  
 50069200 Towne Properties  
 50054700 Transitions, Incorporated  
 50043600 Tri-Star Foods, Inc.  
 5609300 Tri-State Phone Company  
 50064600 Two Keys Tavern  
 50036900 Union Underwear Company, Inc.  
 50071600 United L/N Glass, Inc.  
 50073600 United States Postal Service  
 5605000 United Telephone-Southeast, Inc.  
 50035400 Value City Department Stores, Inc. d/b/a Value City Department St  
 50061800 Vance Quick Stop  
 50001400 Variety Room  
 5604300 Vegan Metal  
 5600800 Ventel Corporation  
 5602900 VisionComm, Inc.  
 50043500 Volunteers of America  
 50065000 Waddy Travel Center, LLC  
 50076700 Watkins East Frankfort BP  
 5601100 Wayne Communications Company  
 50076800 Webster Heating & Specialty Products  
 50038100 Wesco, Inc. d/b/a Express Mart  
 5601000 Wheatel Communications, Inc.  
 50049700 Whistlestop Lounge  
 5603600 White Acres Campground  
 50059900 William P. Vonderhaar, Owner  
 50072700 Woodford Communications  
 50074100 World Communications, Inc.  
 33351325 WorldCom Technologies, Inc.

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INVESTOR-OWNED WATER COMPANIES (0600)

36550 Addison Water & Sewage Facilities  
 15900 Aqua/KWS, Inc.  
 14200 Auxier Water Company, Inc.  
 14300 Berea College Water Utility Department  
 14600 Center Ridge Water System

14700 Cool Waterworks, Inc.  
 14900 Doe Valley Association, Inc.  
 15015 Elk Lake Water Company  
 15100 Fern Lake Company  
 15200 Francis Water Company  
 15400 Goshen Utilities, Inc.  
 15800 Kentucky-American Water Company  
 16400 Lovelaceville Water Company  
 16700 Millstone Water Company, Inc.  
 17000 Overland Development, Inc.  
 6000500 Par-Tee LLC dba Perry Park Resort  
 17600 South Shore Water Works Company  
 17700 Spears Water Company, Inc.  
 17850 Turner Water System

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## WATER DISTRICTS (0700)

18100 Adair County Water District  
 18200 Allen County Water District  
 18300 Alton Water and Sewer District  
 18400 Bandana Water District  
 18500 Barkley Lake Water District  
 18600 Bath County Water District  
 18700 Beaver-Elkhorn Water District  
 18800 Big Sandy Water District  
 20000 Black Mountain Utility District  
 18900 Boone County Water & Sewer District  
 19050 Bracken County Water District  
 19200 Bullock Pen Water District  
 19201 Caldwell County Water District  
 19400 Caney Creek Water & Sewer District  
 19500 Cannonsburg Water District  
 19600 Carroll County Water District #1  
 19650 Cawood Water District  
 19700 Christian County Water District  
 19800 Consumers Water District  
 19900 Corinth Water District  
 20100 Crittenden-Livingston County Water District  
 20150 Cumberland County Water District  
 20200 Cumberland Falls Highway Water District  
 20300 Cunningham Water District  
 20500 Dewitt Water District  
 20600 Dexter-Almo Heights Water District  
 20700 East Casey County Water District  
 20800 East Clark County Water District  
 20900 East Knox County Water District  
 21000 East Laurel Water District  
 21100 East Logan Water District, Inc.  
 21200 East Pendleton Water District  
 21300 Edmonson County Water District  
 21400 Elkhorn Water District  
 21500 Estill County Water District #1  
 21600 Fancy Farm Water District  
 21700 Farmdale Water District  
 21800 Fountain Run Water District #1  
 21850 Gallatin County Water District  
 21900 Garrison-Quincy-Ky-O-Heights Water District  
 22000 Grayson County Water District  
 22100 Green Hills Water District  
 22200 Green River Valley Water District  
 22300 Green-Taylor Water District  
 22400 Hardeman Water District

22500 Hardin County Water District #1  
22600 Hardin County Water District #2  
22700 Henderson County Water District  
22800 Hendron Water District  
23000 Henry County Water District #2  
23100 Hickory Water District  
23200 Hima-Sibert Water District  
23300 Hyden-Leslie County Water District  
23400 Jessamine County Water District #1  
24300 Jessamine-South Elkhorn Water District  
23550 Jonathan Creek Water District  
23700 Kentucky Turnpike Water District Division I  
29100 Kentucky Turnpike Water District Division II  
24000 Larue County Water District #1  
24100 Laurel County Water District #2  
7000400 Lawrence County Water District  
24200 Ledbetter Water District  
24500 Lyon County Water District  
7000100 Madison County Utility District  
24600 Magoffin County Water District  
24700 Marion County Water District  
25000 Martin County Water District  
25200 McCreary County Water District  
25300 McKinney Water District  
25305 Meade County Water District  
25400 Milburn Water District  
25500 Monroe County Water District  
25600 Montgomery County Water District #1  
25603 Morgan County Water District  
25605 Mountain Water District  
25700 Mud Creek Water District  
25800 Muhlenberg County Water District  
26000 Muhlenberg County Water District #3  
26200 Murray #2 Water District  
26300 Murray #3 Water District  
26400 Nebo Water District  
26500 Nicholas County Water District  
26600 North Hopkins Water District  
26700 North Logan Water District #1  
26800 North Marshall Water District  
26900 North McLean County Water District  
27000 North Mercer Water District  
27100 North Nelson Water District  
27300 Northeast Woodford County Water District  
7000200 Northern Kentucky Water Service District  
27500 Ohio County Water District  
27600 Oldham County Water District  
27800 Parksville Water District  
27900 Peaks Mill Water District  
28000 Pendleton County Water District  
28300 Powell's Valley Water District  
28600 Rattlesnake Ridge Water District  
28700 Reid Village Water District  
28800 Reidland Water & Sewer District  
29200 Sandy Hook Water District  
29300 Sandy Valley Water District  
29400 Sedalia Water District  
29500 Sharpsburg Water District  
29700 Simpson County Water District  
30300 South 641 Water District  
29800 South Anderson Water District  
30000 South Graves County Water District  
30100 South Hopkins Water District  
30400 South Woodford Water District

30500 Southeast Daviess County Water District  
 30600 Southern Madison Water District  
 30700 Southern Mason County Water District  
 31000 Symsonia Water District  
 31100 Todd County Water District  
 31300 Tri-Village Water District  
 31200 Trimble County Water District #1  
 31500 U. S. 60 Water District of Shelby, Spencer and Franklin Counties  
 31400 Union County Water District  
 31700 Warren County Water District  
 31800 Webster County Water District  
 31900 West Carroll Water District  
 32000 West Daviess County Water District  
 32200 West McCracken County Water District  
 32300 West Shelby Water District  
 32500 Western Fleming County Water District  
 22206700 Western Lewis-Rectorville Water and Gas District  
 32700 Western Mason County Water District  
 7000500 Western Pulaski County Water Dist.  
 32900 Whitley County Water District #1  
 33000 Wood Creek Water District

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## WATER ASSOCIATIONS (0800)

33200 Beech Grove Water System, Inc.  
 33500 Bronston Water Association, Inc.  
 33600 Buffalo Trail Water Association, Inc.  
 33700 Butler County Water System, Inc.  
 33800 East Daviess County Water Association, Inc.  
 34000 Fleming County Water Association, Inc.  
 34100 Garrard County Water Association, Inc.  
 34200 Harrison County Water Association, Inc.  
 34500 Jackson County Water Association, Inc.  
 34650 Judy Water Association, Inc.  
 34700 Kirksville Water Association, Inc.  
 34800 Lake Village Water Association, Inc.  
 34900 Levee Road Water Association, Inc.  
 35300 North Manchester Water Association, Inc.  
 35400 North Shelby Water Company  
 35650 Rockcastle County Water Association  
 35800 Rowan Water, Inc.  
 36000 South Logan Water Association, Inc.  
 36150 Southeastern Water Association, Inc.  
 36100 Southside Water Association, Inc.  
 36300 West Laurel Water Association, Inc.  
 36400 Western Rockcastle Water Association, Inc.

UTILMSTR30R

KY. P.S.C. ACTIVE COMPANIES

06/23/99

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## MUNICIPAL WATER UTILITIES (FOR WHOLESALE RATES ONLY) (0880)

8800100 Adairville Public Works  
 8807300 Ashland Municipal Water System  
 8800500 Bowling Green Municipal Utilities  
 8800800 Burnside Municipal Water Works  
 8807800 Campbellsville Municipal Water and Sewer System  
 8801100 Carrollton Utilities  
 8801300 Central City Municipal Water & Sewer  
 8807700 City of Augusta  
 8800200 City of Barbourville  
 8800300 City of Bardstown  
 8800400 City of Beattyville

8800600 City of Brandenburg  
8800700 City of Burkesville  
8800900 City of Calhoun Water works  
8801000 City of Carlisle  
8801200 City of Catlettsburg  
8801500 City of Corbin  
8801600 City of Cynthiana Water Treatment Plant  
8801700 City of Danville Water Dept.  
8801900 City of Eddyville  
8807500 City of Evarts  
8802000 City of Flemingsburg Utilities  
8802200 City of Franklin  
8802400 City of Grand Rivers  
8802500 City of Grayson Utilities  
8802700 City of Harrodsburg Water Dept.  
8807200 City of Hodgenville  
8803100 City of Kuttawa Municipal Water System  
8803200 City of Lancaster  
8803300 City of Lawrenceburg  
8803600 City of Liberty  
8803700 City of Livermore  
8804200 City of Manchester  
8804300 City of Marion  
8808000 City of Maysville Utility Commission  
8804000 City of McKee Water and Sewage System  
8807100 City of Morganfield  
8804800 City of Mt. Vernon  
8805000 City of Newport Water Department  
8805100 City of Nicholasville  
8807600 City of Owenton Water & Sewer Department  
8805300 City of Perryville  
8805400 City of Pikeville  
8805800 City of Russell Springs  
8807400 City of Sadieville  
8806300 City of Somerset Water Service  
8808200 City of Stanford  
8806400 City of Tompkinsville  
8806600 City of Versailles  
8806700 City of Warsaw  
8806800 City of Williamsburg Water Plant  
8806900 City of Williamstown Water Department  
8801400 Columbia Utilities  
8801800 Dawson Springs City Water & Sewer  
8802100 Frankfort Electric & Water Plant Board  
8802300 Glasgow Water & Sewer Commission dba Glasgow Water Company  
8802600 Harlan Municipal Water Works  
8802800 Henderson Municipal Water & Sewer Commission  
8803000 Irvine Municipal Utilities  
8803400 Lebanon Water Works  
8803500 Leitchfield Water & Sewer Commission  
8803900 Louisville Water Company  
8804100 Madisonville Water Distribution  
8804400 Monticello Utility Commission  
8804500 Morehead Utility Plant Board  
8804600 Morgantown Utilities  
8804700 Mount Sterling Water & Sewer  
8804900 Murray Water & Sewer System  
8805200 Owensboro Municipal Utilities  
8807900 Paducah Water Works  
8805500 Prestonsburg City Utilities  
8805600 Princeton Water and Wastewater  
8805700 Richmond Water, Gas & Sewage Works 300 Hallie Irvine Street  
8805900 Russellville Water Works  
8806000 Salyersville Water Works

8806100 Scottsville Water Department  
 8802900 Sewerage & Water Works Commission dba Hopkinsville Water Env.Auth  
 8806200 Shelbyville Municipal Water and Sewer Commission  
 8803800 Utility Commission of the City of London  
 8806500 Vanceburg Utilities  
 8807000 Winchester Municipal Utilities

UTILMSTR30R

KY. P.S.C. ACTIVE COMPANIES

06/23/99

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## SEWER UTILITIES (0900)

22236550 Addison Water & Sewage Facilities  
 36650 Airview Estates, Inc.  
 22218300 Alton Water and Sewer District  
 36850 Appalachian Waste Control  
 36900 Ash Avenue Sanitary Sewer Company  
 37100 B & H, Inc.  
 37300 Beckley Station Disposal System, Inc.  
 9000100 Big Bear Wastewater, Inc.  
 22220000 Black Mountain Utility District  
 37505 Blue Sky Sewer Service Company, Inc.  
 38000 Bullitt Utilities, Inc. Bullitt Hills Sewer Plant  
 38100 Bullitt Utilities, Inc. Hunters Hollow Sewer Plant  
 38200 Burl Park Sanitation Association, Inc.  
 22219400 Caney Creek Water & Sewer District  
 38900 Cedar Hills Sanitation Disposal Corporation  
 39300 Clearwater Disposal, Inc.  
 39500 Concord Estates Subdivision  
 39900 Country Village Sewer Company, Inc. Country Village Subdivision  
 40200 Covered Bridge Utilities, Inc.  
 40250 Cross Creek Sanitary, Inc.  
 40500 David Sewerage System  
 40505 Delaplain Disposal Company  
 22214900 Doe Valley Association, Inc.  
 41000 Downstream, Inc.  
 22221200 East Pendleton Water District Division II  
 22221500 Estill County Water District #1  
 41700 Evergreen Sewage Disposal System  
 22221600 Fancy Farm Water District  
 42000 Farmdale Development Corporation  
 42600 Forest Hills Developers, Inc.  
 22221800 Fountain Run Water District #1  
 42900 Four-Way Enterprises, Inc.  
 42800 Fourth Avenue Corp.-Long Corp., Joint Venture, d/b/a Shadow Wood  
 43200 Friendly Park Development, Inc.  
 43600 Gilbert Construction Services, Inc. Graham Estates Subdivision  
 43700 Gilbert Construction Services, Inc. Wright Acres Subdivision  
 44100 Glenview, Inc.  
 22215400 Goshen Utilities, Inc.  
 44800 Hayfield Utilities, Inc. Countryside Subdivision  
 44803 Heather Hill Sewage Treatment Plant, Inc.  
 43150 Herrington Haven Wastewater Company, Inc.  
 45000 Hillridge Facilities, Inc.  
 46710 Hillview Sewer Plant #1  
 46720 Hillview Sewer Plant #2, Inc.  
 46730 Hillview Sewer Plant #3, Inc.  
 22223200 Hima-Sibert Water District Sewer Division  
 45250 J & W Sanitation  
 45400 Joann Estates Utilities, Inc.  
 9000900 John Fehsal  
 45700 Kentucky Mountain Housing Development Corporation, Inc.  
 22215800 Kentucky-American Water Company Sewer Division  
 9000700 Kingswood Development, Inc.  
 45875 Lake Columbia Utilities, Inc.

46000 Lakewood Valley Sewer Company, Inc.  
46100 Lewis Sanitation Company, Inc. d/b/a Garden Heights Sewer Divisio  
46105 Lewis Sanitation Company, Inc. d/b/a Gardenside Sewer Division  
46200 Lockwood Estates Developing Corporation  
55300 Louisville Mall Associates  
46300 Mallard Point Disposal Systems, Inc.  
22225200 McCreary County Water District  
47100 Middletown Waste Disposal, Inc.  
51275 Miles Farms, Inc. dba Royal Summit Estates  
47200 Mockingbird Valley Sanitation, Inc.  
22225605 Mountain Water District Sewer Division  
47700 Mulberry Enterprises, Inc.  
48000 Nixutil Sanitation Association, Inc.  
9001000 Northland Sewer Company  
48250 Oldham Woods Sanitation, Inc.  
48400 Orchard Grass Utilities, Inc.  
9000500 P. R. Wastewater Management, Inc.  
22260005 Par-Tee LLC dba Perry Park Resort  
49000 Pinewood Subdivision, Inc. d/b/a Pinewood Subdivision Sewer  
46740 Pioneer Village Sewerage System Plant #1, Inc.  
52700 Pleasant View Sanitary System, Inc.  
50250 Purchase Public Service Corporation d/b/a Thomas Country Estates  
50260 Purchase Public Service Corporation d/b/a Cardinal Group  
50270 Purchase Public Service Corporation d/b/a Highland Club Estates  
50280 Purchase Public Service Corporation d/b/a Great Oaks Subdivision  
50300 R. A. Williams Development Co., Inc. d/b/a Cedarbrook Treatment P  
50700 Ridgelea Investments, Inc.  
50800 Ridgewood Subdivision Sewer Plant  
50900 River Bluffs, Inc.  
9000200 River Road Disposal Systems  
52750 Schlueter Building Company, Inc. South Hills Subdivision Sewer Pl  
53200 Simpson Construction Company, Inc. Birchwood Subdivision  
22230300 South 641 Water District  
53500 Spanish Cove Sanitation System, Inc.  
9000400 Springcrest Sewer Company, Inc.  
22231000 Symsonia Water District  
54250 Thelma Waste Control, Inc.  
54450 Toyoda Support Services, Inc. Longview Country Club Sewage  
54900 Tucker Station Disposal System, Inc.  
55400 W & W Service Company  
55700 Watterson Woods Waste Management Company, Inc.  
55800 Waverly Sanitation Facilities, Inc.  
56050 Willabrook Sanitation, Inc.  
56400 Willow Creek Sewer System  
56500 Willowcrest Development Corporation  
56600 Wimsatt Subdivision Sewage Plant  
56900 Woodland Acres Sanitation, Inc.  
48700 Woodland Estates Sewage System

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RECEIVED  
JUN 24 1999  
PUBLIC SERVICE  
COMMISSION

Commonwealth of Kentucky  
Public Service Commission

June 24, 1999

Case No. 99-210  
ICH Corporation and Perry Park Resort

In the matter of the aforementioned case before the Public Service Commission, I would like to request to intervene on behalf of the Perry Park Resort Owners Association and also as a property owner and resident of Glenwood. All of the alleged violations in this case have a direct impact on the property owners at the resort. I have been elected as the president of the Property Owner Association and I wish to be allowed to represent them in this matter.

I await your reply.

Sincerely,



Paul D. Minch, President PPROA

P O Box 58  
Perry Park , Ky. 40363

502-564-6760

ADAMS, BROOKING, STEPNER, WOLTERMANN & DUSING,  
P.L.L.C.

*Attorneys and Counselors at Law*

DONALD L. STEPNER \* STACEY L. GRAUS \*  
JAMES G. WOLTERMANN \* MARY ANN STEWART \*  
GERALD F. DUSING WESTON W. WORTHINGTON  
MICHAEL M. SKETCH \* LORI A. SCHLARMAN \*  
DENNIS R. WILLIAMS \* SCOTT M. GUENTHER  
JAMES R. KRUER \* ROBERT D. DILTS \*  
JEFFREY C. MANDO \* JEFFREY A. STEPNER \*  
MARC D. DIETZ \* JENNIFER L. LANGEN \*

40 WEST PIKE STREET

P.O. BOX 861

COVINGTON, KENTUCKY 41012-0861

AREA CODE 606-291-7270

FAX 606-291-7902

\* ALSO ADMITTED IN OHIO

CHARLES S. ADAMS (1906-1971)  
C. GORDON WALKER (1911-1967)

RECEIVED  
JUN 23 1999  
PUBLIC SERVICE  
COMMISSION  
OF COUNSEL  
R. JEFFREY SCHLOSSER

8100 BURLINGTON PIKE - SUITE 144  
P.O. BOX 576  
FLORENCE, KENTUCKY 41012-0576  
AREA CODE 606-371-6220  
FAX 606-371-8341

1850 FEDERATED BUILDING  
7 WEST SEVENTH STREET  
CINCINNATI, OHIO 45202-2417  
AREA CODE 513-241-7460

June 22, 1999

VIA FACSIMILE

Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

**RE: ICH Corporation a/k/a Glenwood Hall Resort and  
County Club a/k/a Perry Park Resort and Par-Tee, LLC  
d/b/a Perry Park Resort  
Case No. 99-210**

Dear Ms. Helton:

I have attached a copy of Respondent, Par-Tee, LLC's Response to Order of May 24, 1999 and Request for Informal Conference. I have also mailed the Response via Certified Mail and regular mail today.

If you have any questions or comments, please feel free to call me.

Sincerely,

Adams, Brooking, Stepner,  
Woltermann & Dusing, P.L.L.C.

  
Stacey L. Graus  
Attorney At Law

SLG/jrr  
Attachment  
#26679.1

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION  
CASE NO. 99-210**

**In the Matter of:**

**ICH CORPORATION A/K/A GLENWOOD HALL  
RESORT AND COUNTRY CLUB A/K/A PERRY PARK  
RESORT AND PAR-TEE, LLC D/B/A  
PERRY PARK RESORT**

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**RESPONDENT, PAR-TEE, LLC's RESPONSE TO ORDER OF MAY 24, 1999 AND  
REQUEST FOR INFORMAL CONFERENCE**

---

**RESPONSE**

**FACTS**

ICH Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") entered into an Asset Purchase Agreement with Par-Tee, LLC d/b/a Perry Park Resort ("Par-Tee") on July 31, 1998. A closing was held on July 31, 1998 transferring the assets outlined in the Agreement to Par-Tee. The transfer of assets included the utilities (water and sewer) from ICH to Par-Tee. Prior to the closing, ICH had contracted with Carroll County Water District to connect its water line to the private water lines operated by ICH for the purpose of Carroll County Water District assuming those water lines and operating the utility. As of this date, the Carroll County Water District has not broken ground on the project to connect the private water utility at Perry Park. As part of that Agreement, ICH agreed to collect an assessment of three hundred eighty eight dollars (\$388.00) from each property owner serviced to reimburse the Carroll County Water District for the capital outlay to connect the current Carroll County Water District pipeline system to the private lines maintained by ICH. ICH worked with the Perry Park Home Owners Association in collecting and paying this tap-in fee. (See attached

Notice). Par-Tee agreed to continue collecting the assessment on each property and agreed to place the collected monies in an escrow account to transfer to the Carroll County Water District per the Agreement between the Water District and ICH

Currently, Par-Tee is operating a water treatment plant and provides water to the residents of Perry Park. The water treatment plant is maintained by two employees. A Licensed Operator, Tom Ramsey, inspects the plant each week. The Division of Water conducted an inspection during the week of June 7, 1999 and found no problems. The service to residents has been continuous with only slight interruptions as the result of power outages.

Par-Tee continues to operate the sewage system which it purchased from ICH pursuant to the Asset Purchase Agreement. In all, Par-Tee operates three sewer treatment plants and has a maintenance crew on staff to service the sewage lines as well as maintain the plants. The sewage is tested on a regular basis in compliance with statutory and regulatory law.

When Par-Tee assumed responsibility for the operation of the above referenced utilities it did everything it believed to be necessary to comply with statutory and regulatory law. In fact, Par-Tee, by and through its representatives and employees, established a relationship with the Public Service Commission beginning in August, 1998 when it assumed control of the utilities. For example, the Public Service Commission performed an inspection on August 20, 1998 resulting in an August 25, 1998 Report. In that Report, the Public Service Commission noted various compliance issues. Par-Tee began addressing the compliance issues upon receipt of the Report. On January 12, 1999, the Public Service Commission sent a letter to Mark Seibert, an employee of Par-Tee, requesting a response to the August 25, 1998 Report. (See attached Follow-up Letter). Par-Tee responded in a February 8, 1999 letter which outlined the various

maintenance measures and improvements made to the system to bring it into full compliance with statutory and regulatory law. (See attached Compliance Letter)

Also, Par-Tee responded to a General Order in Administrative Case No. 376 regarding the Y2K transition period. (See attached General Order). In response to Appendix A to that General Order, Par-Tee wrote by letter dated November 20, 1998 indicating that Par-Tee, LLC was operating the utilities. (See attached Response Letter). In addition, Par-Tee sent a letter to the Public Service Commission on December 30, 1998 indicating that Par-Tee had purchased the assets of Glenwood Hall Golf and Country Club which included the water and sewer utilities. (See attached Letter).

Par-Tee, by and through its accounting firm, filed annual reports for the year 1998 with the Public Service Commission concerning its operation of the water and sewer utilities. Specifically, Par-Tee filed a Class C Water Companies 1998 Annual Report and Sewer Utilities 1998 Annual Report with the Public Service Commission. The Reports clearly indicate that Par-Tee was operating the utilities at Perry Park. (See attached Report).

### **RESPONDENT'S POSITION**

The allegations in the Order of May 24, 1999 concern technical violations of the statutes and regulations pertaining to the Public Service Commission's authority to regulate utilities.

There are essentially four (4) allegations:

1. That Par-Tee did not obtain approval for the sale of the utility and that it did not have a valid tariff.
2. That Par-Tee did not file and publish its rate schedule.
3. That Par-Tee did not pay an assessment for the privilege of doing business as a utility in the state.

4. That Par-Tee did not obtain approval to charge a tap in fee to residents.

The above-referenced allegations, if proven, concern technical violations which do not affect the service that has been provided to residents of Perry Park. In fact, the residents have been pleased with the service provided by Par-Tee. Par-Tee spent a great deal of money to update the water treatment plant and sewage treatment plants in order to bring them in compliance with state statutory and regulatory law. Therefore, Par-Tee would like an opportunity to correct any alleged deficiencies in the transfer of the utilities themselves, setting the appropriate tariffs and collection of the assessment which ICH agreed to collect on behalf of the Carroll County Water District.

**REQUEST FOR INFORMAL CONFERENCE**

Par-Tee has strived and will continue to strive to comply with all state statutory and regulatory law with respect to the operation of utilities. Par-Tee has taken steps to ensure that excellent service is provided to its customers. In the event that it is determined that Par-Tee has violated any state statutes, regulations or Public Service Commission rules then it will work with the Public Service Commission to remedy those violations.

**WHEREFORE**, Par-Tee respectfully requests the Public Service Commission to grant an informal conference to discuss the alleged violations and Par-Tee's compliance with statutory and regulatory law as well as the Public Service Commission's internal rules.

Respectfully Submitted,



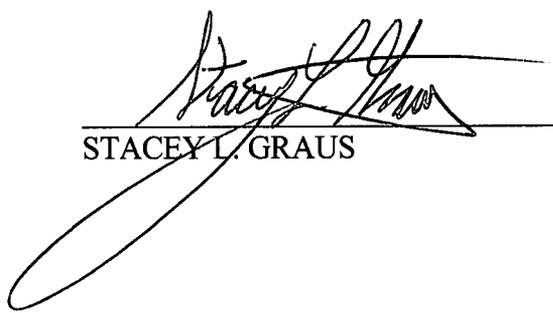
---

JAMES G. WOLTERMANN (#78470)  
STACEY L. GRAUS (#84147)  
ADAMS, BROOKING, STEPNER,  
WOLTERMANN & DUSING, P.L.L.C.  
40 West Pike Street  
Covington, KY 41011  
(606) 291-7270  
**Attorneys for Respondent,  
Par-Tee, LLC d/b/a  
Perry Park Resort**

CERTIFICATION

This is to certify that a true and correct copy of the foregoing has been sent via facsimile, regular U.S. Mail and Certified Mail this 22<sup>nd</sup> day of June, 1999 to the following:

Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602



STACEY L. GRAUS

## CARROLL COUNTY WATER DISTRICT PROJECT NOTICE

Your Carroll County Water District Assessment of \$388.00 is now due.

The agreement with the Carroll County Water District states that we must pay our assessments prior to the start of the project, which is due in March. The completion date is mid-summer.

The Property Owners Association (Bob Wesselman and Paul Minch) and the Perry Park Resort Inc. (Curt Moberg and Jackie Clifton) have opened a joint account, requiring signatures from each group before the money can be disbursed to the Carroll County Water District.

In the unforeseen event, that the project is not completed, the people who paid their assessments will have their money refunded.

Your attention and participation to this matter is greatly appreciated.

Please remit your payment to:

Perry Park Resort, Inc & Perry  
Park Resident Owners Assoc.  
P.O. Box 147  
Perry Park, Ky. 40363

2/17/98

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

James Woffermann

4a. Article Number

Z 467 302 311

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery

7-6-99

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X Sue Wagner

PS Form 3811, December 1994

HU - Case 99-210

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY 40602  
(502) 564-3940

January 12, 1999

Mr. Mark Sibert  
General Manager  
Glenwood Hall Resort and  
Country Club  
P. O. Box 147  
Perry Park, Kentucky 40363

Dear Mr. Sibert:

On August 20, 1998, Glenwood Hall Resort and Country Club sewage facilities were inspected by a representative of this Commission. A copy of this report was mailed to you on August 25, 1998 for your review. As of this date we have not received your response.

The failure to make all corrections necessary to bring the facility into compliance with KRS 278 and Commission regulations (807 KAR) may be considered cause for enforcement proceedings to be initiated. If such action becomes necessary, penalties may be imposed against the utility pursuant to KRS 278.990.

Please respond to this report by February 12, 1999 outlining a correction schedule of each item. If you require any clarification on the recommended improvements, please feel free to call Larry N. Updike at (502) 564-3940, Ext. 413.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddie B. Smith".

Eddie B. Smith, Manager  
Water & Sewer Branch  
Division of Engineering

EBS:LNU:aem

**Par-Tee LLC  
D/b/a Perry Park Country Club**

P.O. Box 147

Perry Park, KY 40363

(502) 484-2159

February 8, 1999

Mr. Larry N. Updike  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Dear Mr. Updike:

Pursuant to your letter dated January 12, 1999 please be advised the following changes have been made to restore our facility to an acceptable operating condition:

Inverness Road Plant

1. The skimmer line going to the head of the plant has been repaired.
2. The sludge return was made operational September 01, 1998.
3. The diffusers were inspected and repaired on September 01, 1998.
4. Sludge was removed from the chlorine contact basin on September 23, 1998 at a cost of \$345.00 and again on October 16, 1998 at an additional cost of \$345.00.
5. We have a backup blower/motor unit at our immediate access within (24) hours. This unit is located at Grainger Supply in Florence, KY.
6. All blower/motor units have belt safety guards.
7. New locks were installed September 5, 1998 on the door to the building housing the blower/motor and chlorination unit.
8. The concrete chamber housing the bar screen and the comminator has been cleaned.

Springport-Ferry Plant

1. The diffusers were inspected and repaired on September 1, 1998.
2. Sludge was removed from the chlorine contact basin on September 23, 1998 at a cost of \$172.50.
3. We have a backup blower/motor unit at our immediate access within (24) hours. This unit is located at Grainger Supply in Florence, KY.

Jun 17 99 12:01p

F -Tee LLC

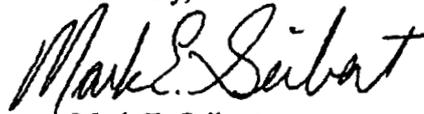
4. The tube housing the chlorination tablets has been moved to the chlorine tank as of September 5, 1998.
5. All electrical connections were protected on September 21, 1998 at a cost of \$492.68 (this cost also covers #7 at the Sprinport-Ferry sewer plant and #5 at the trailer park sewer plant).
6. The grating on the plant has been locked down.
7. The comminator was removed and the electric was repaired.

Trailer Park Sewer Plant

1. The diffusers were repaired on September 1, 1998.
2. Sludge was removed from the chlorine contact basin on September 23, 1998 at a cost of \$172.50.
3. The tube housing the chlorination tablets was moved to the chlorine tank on September 5, 1998.
4. The sludge return was repaired on September 5, 1998.
5. The comminator was removed and the electric was repaired.

If you have any questions regarding this issue please contact my office at (502) 484-2159.

Sincerely,



Mark E. Seibert  
General Manager

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ESTABLISHMENT OF AN ADMINISTRATIVE )	
PROCEEDING TO EXAMINE THE EXTENT TO )	ADMINISTRATIVE
WHICH JURISDICTIONAL UTILITIES ARE )	CASE NO. 376
PREPARED FOR THE YEAR 2000 )	

ORDER

The Commission is initiating this administrative proceeding in an effort to determine the extent to which jurisdictional utilities are preparing their computerized operating and information systems for the transition to the Year 2000 ("Y2K") and to ensure that appropriate, corrective steps are taken, when needed, to guarantee that utility systems remain operational during the critical Y2K transition period. The Y2K problem is rooted in the way in which dates are recorded in many computer systems, programs, and applications, and it has been determined that some computer operating systems could malfunction at 12:01 a.m. on New Year's morning of the year 2000, or shortly thereafter, when the new millenium begins.

Complex computer programs, such as those applications used to perform various tasks within a utility's operations, include thousands, tens of thousands, or even millions of lines of computer code. In order to minimize the size of these programs, most were written using only the last two digits to represent the year, such as "99" for the year 1999. The Y2K problem lies in how the program will read "00" - as in 2000 when the new millenium begins. Computer systems and programs that use dates to perform certain tasks may read "00", "01", "02" as 1900, 1901, 1902 and so on. This could lead

to serious system malfunctions or even system failure. Y2K issues relate not only to those systems owned and maintained by the utility itself but also to the systems owned by third party suppliers, vendors and other entities upon which the utility depends.

The Commission is very concerned that by December 31, 1999 all jurisdictional utilities have resolved any Y2K problems to ensure that safe, reliable and adequate utility services continue to be provided. The federal government defines Y2K compliance to mean that, "with respect to information technology, that the information technology accurately processes date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology, used in combination with the information technology being acquired, properly exchanges date/time data with it." (48 CFR Part 39.002). For purposes of initiating this proceeding, the Commission accepts as a working definition the federal government's definition of Y2K compliance.

As a result of the foregoing and, upon full consideration of all matters before us at this time, the Commission concludes that an investigation should be instituted on the motion of this Commission to determine the current and anticipated Y2K compliance of all jurisdictional utilities.

**IT IS THEREFORE ORDERED that:**

1. An investigation be and it hereby is instituted for the purpose of determining all matters concerning the Y2K compliance of all jurisdictional utilities.

2. All jurisdictional utilities are required to file with the Commission within 20 days of the date of this Order, an original and 4 copies of written responses to the questionnaire included herein as Appendix A.

Done at Frankfort, Kentucky, this 12th day of August, 1998.

By the Commission

ATTEST:

*Stephen C. Coffey*

Executive Director

## APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN ADMINISTRATIVE CASE NO. 376 DATED August 12, 1998

1. Provide the name, address, phone number and type of utility(s) you operate.
2. Has your company performed an analysis of the vulnerability of its operating systems to Y2K problems?
3. If you answered yes to Item 2 above, was this analysis performed by someone within your company or was a consultant hired to perform the analysis?
4. Provide the name and phone number of the person who should be contacted with questions regarding Y2K issues as they relate to your company.
5. (a) Will your company's operating systems be Y2K compliant on or before December 31, 1999?  
(b) If no, by what date do you expect to be Y2K compliant?
6. If you answered no to Item 5 above, what actions does your company need to take in order to become Y2K compliant?
7. Does your company have a Y2K plan or planning document? If so, provide the plan or planning documents.
8. (a) Is your company dependent on interfacing or exchanging data with outside sources in order to perform critical operations?  
(b) If yes, has your company contacted all entities with whom it exchanges data to determine that these other entities are Y2K compliant?
9. If you answered no to Item 7(b) above, does your company intend to contact those entities its systems interact with in order to assure itself that they are Y2K compliant? If not, why not?
10. (a) Has your company developed contingency plans to handle supply or service interruptions that may occur as a result of Y2K problems?  
(b) If yes, provide a copy of these plans.  
(c) If no, explain when such plans will be completed and if none are being planned, explain why such plans should not be required of your company.

11. What do you estimate it will cost your company to become Y2K compliant in its Kentucky operations?
12. Do you intend to expense these costs as incurred or defer the costs?
13. What specific Y2K problems have you found and in what way does it affect the service you provide?

[Faint, illegible text, likely bleed-through from the reverse side of the page]

[Faint, illegible text, likely bleed-through from the reverse side of the page]

**GLENWOOD HALL  
GOLF & COUNTRY CLUB**



P.O. BOX 147

Perry Park, KY. 40363

(502) 484-2159

November 20, 1998

Helen C. Helton  
Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Re: Administrative Case No. 376  
Transition to Year 2000 (Y2K)

Dear Ms. Helton:

Per your request the following are answers to Appendix A. Please note we have  
(2) utilities:

- 1.) Par-Tee LLC  
P.O. Box 147  
Perry Park, KY 40363 (502) 484-2159  
Private Water/Sewer Utilities
- 2.) We have not performed an analysis of the vulnerability of our  
water or sewer system.
- 3.) N/A
- 4.) Mark E. Seibert, (502) 484-2159.
- 5.) Our Water system will not be Y2K compliant due to our joining  
the Carroll County Water District in June 1999. Our Sewer system  
will be compliant by December 31, 1999.
- 6.) N/A
- 7.) We do not have a Y2K plan.
- 8.) Our Company will be dependent on interfacing and exchanging  
data with McCoy & McCoy Laboratories, Inc. to perform our  
Sewage testing. At this time, we have not contacted McCoy &  
McCoy Laboratories.
- 9.) We intend to contact McCoy & McCoy Laboratories to insure they  
will be Y2K compliant.

PERRY PARK RESORT, INC. FAX: (502) 484-2467

- 10.) We have not developed a plan to handle supply or service interruptions that may occur. At this time, no date has been set for the completion of any contingency plans.
- 11.) Our estimation is \$0.00.
- 12.) N/A
- 13.) We have found no Y2K problems.

If you have any additional questions please contact our office at (502) 484-2159.

Sincerely,



Mark E. Seibert  
General Manager

**Par-Tee LLC**

D/b/a: Perry Park Resort  
595 Springport Ferry Road  
P.O. Box 147  
Perry Park, KY 40363

December 30, 1998

Public Service Commission  
Ms. Joyce Spear  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Dear Ms. Spear:

On August 1, 1998 the Assets of Glenwood Hall Golf and Country Club were sold to Par-Tee LLC. This purchase included the Water and Sewer Utilities. I have enclosed a copy of a letter, relating to another matter, prepared by our attorney regarding the sale. Any correspondence relating Prior to the sale date of August 1<sup>st</sup> should continue to be sent to ICH Corporation. They have a new address: 9255 Towne Centre Drive, Suite 600, San Diego, CA 92121-3039. Any Post sale date information should be sent to Par-Tee LLC, d/b/a: Perry Park Resort, 595 Springport Ferry Rd., P.O. Box 147, Perry Park, KY 40363.

If you need any additional information please feel free to contact me at (502) 484-2159

Sincerely,

  
Rhonda Craig  
Office Manager

Enclosure

# 1998 TAX RETURN FILING INSTRUCTIONS

CLASS C WATER COMPANIES ANNUAL REPORT

COPY.

FOR THE YEAR ENDING

DECEMBER 31, 1998

<b>Prepared for</b>	PAR TEE LLC 595 SPRINGCREST FERRY ROAD PERRY PARK, KY., 40363
<b>Prepared by</b>	CLARK, SCHAEFER, HACKETT & CO. 105 EAST FOURTH STREET, SUITE 1600 CINCINNATI, OH 45202-4093
<b>To be signed and dated by</b>	TAXPAYER(S)
<b>Amount of tax</b>	Total tax                      N/A
<b>Make check payable to</b>	N/A
<b>Mail tax return and check to</b>	PUBLIC SERVICE COMMISSION 760 SCHENKEL LANE P.O. BOX 615 FRANKFORT, KY., 40602
<b>Return must be mailed on or before</b>	MAY 31, 1998
<b>Special instruction</b>	THE LAST PAGE NEEDS TO BE SIGNED AND NOTORIZED. THE REPORT IS FILED IN DUPLICATE. PLEASE RETAIN A COPY FOR YOUR RECORDS.

WATER

**CLASS C WATER COMPANIES  
ANNUAL REPORT**

COPY

OF

PAR TEE LLC

TO THE

**PUBLIC SERVICE COMMISSION**

OF THE

**COMMONWEALTH OF KENTUCKY**

**730 SCHENKEL LANE  
P. O. BOX 615  
FRANKFORT, KENTUCKY 40602**

**FOR THE YEAR ENDED DECEMBER 31, 1998**

COPY

## NOTICE

1. This Form for annual report shall be filled out in duplicate and one copy returned to the office of the Public Service Commission, Frankfort, Kentucky, by March 31.

2. The instructions in this Form should be carefully observed, and **each question shall be answered fully and accurately**, whether it has been answered in a previous annual report or not.

3. Every annual report shall, in all particulars, be complete in itself, and reference to the returns of former years should not be made to take the place of required entries except as herein otherwise specifically directed or authorized.

4. If it be necessary or desirable to insert additional statements, typewritten or other, in a report, they should be legibly made on durable paper and, wherever practicable, on sheets not larger than a page of the Form. **Inserted sheets should be securely attached, preferably at the inner margin; attachment by pins or clips is insufficient.**

5. All entries should be made in a permanent record ink. Those of a contrary and unusual character should be made in red ink or other ink different in color from that used for ordinary entries.

6. Each respondent shall make this annual report in duplicate, the original to be forwarded to this Commission, the duplicate to be retained in the reporting Utility's files for reference in case correspondence with regard to such report becomes necessary. For this reason two copies of the Form are sent to each utility concerned.

7. The account numbers used throughout this report are in accordance with the Commission's classification of accounts for the respective Utilities, and all definitions and instructions are in accordance with such classifications.

8. The forms for this report have been designed to be made on a typewriter with elite type.

COPY

CLASS "C"  
WATER COMPANIES  
ANNUAL REPORT  
OF

PAR TEE LLC

---

Exact Legal Name of Respondent

For the  
YEAR ENDED DECEMBER 31, 19 98

COPY

NOTICE

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities as adopted by this Commission for Class C water companies.
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable" or "NA". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. Complete this report by means which result in a permanent record, such as by typewriter. Money items (except averages) throughout the report should be shown in units of dollars adjusted to accord with footings.
7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
8. The report should be filled out in duplicate and one copy returned by March 31, of the year following the date of the report. The report should be returned to:

Public Service Commission  
760 Schenkel Lane  
P. O. Box 615  
Frankfort, Kentucky 40602

COPY

PUBLIC SERVICE COMMISSION OF KENTUCKY  
PRINCIPAL PAYMENT AND INTEREST INFORMATION  
FOR THE YEAR ENDING DECEMBER 31, 1998

1. Amount of Principal Payment during calendar year \$ 0
2. Is Principal current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_
3. Is Interest current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_

SERVICES PERFORMED BY  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are your financial statements examined by a Certified Public Accountant? YES \_\_\_\_\_ NO X

If yes, which service is performed?

- Audit N/A
- Compilation \_\_\_\_\_
- Review \_\_\_\_\_

Please enclose a copy of the accountant's report with annual report.

COPY

CHECKLIST FOR THE ANNUAL REPORT  
FOR C WATER COMPANIES  
TO BE COMPLETED AND RETURNED WITH THE ANNUAL REPORT

Page No.	Account No.	Page No.	Yes	No	If No, Explain Why
4-6	The identification pages have been completed.		<input checked="" type="checkbox"/>		
7	101-105	11	<input checked="" type="checkbox"/>		Total 101-105
7	108	11	<input checked="" type="checkbox"/>		Beginning and Ending Balance 108
7	108	12	<input checked="" type="checkbox"/>		Total 301 - 348 Cols c & h
7	114-115	13	<input checked="" type="checkbox"/>		Net Balance 114-115
7	124	13	<input checked="" type="checkbox"/>		Total 124
7	141-143	14	<input checked="" type="checkbox"/>		Net Balance 141-143
7	151	14	<input checked="" type="checkbox"/>		Total 151
7	186	15	<input checked="" type="checkbox"/>		Total 186
7	190	15	<input checked="" type="checkbox"/>		Total 190
8	201	16	<input checked="" type="checkbox"/>		Total Par Value of Stk Issued Col b
3	204	16	<input checked="" type="checkbox"/>		Total Par Value of Stk Issued Col c
8	215	18	<input checked="" type="checkbox"/>		Total 215
8	224	16 & 17	<input checked="" type="checkbox"/>		Total 224 Col d Page 16 + Total 224 Col 4 Page 17
8	232	18	<input checked="" type="checkbox"/>		Total 232 Col f
8	236	19	<input checked="" type="checkbox"/>		Beginning & Ending Balance 236
8	237	20	<input checked="" type="checkbox"/>		Total 237 Cols b & e
8	242	20	<input checked="" type="checkbox"/>		Total 242
8	252	15	<input checked="" type="checkbox"/>		Total 252

COPY

CHECKLIST FOR THE ANNUAL REPORT  
FOR C WATER COMPANIES  
TO BE COMPLETED AND RETURNED WITH THE ANNUAL REPORT

Page No.	Account No.	Page No.	Yes	No	If No, Explain Why
9	271	21	<input checked="" type="checkbox"/>		
		Beginning & Ending Balance 271			
10	400	24	<input checked="" type="checkbox"/>		
		Total Water Operating Rev Col e			
10	401	25	<input checked="" type="checkbox"/>		
		Total 601-675 Col c			
10	406	13	<input checked="" type="checkbox"/>		
		Total Accumulated Amortization 115			
0	427	20	<input checked="" type="checkbox"/>		
		Total 237 Col c			
10	Net Income	18		<input checked="" type="checkbox"/>	LC-10 R1E
		Balance Trans. From Inc Col c			
12	The analysis of accumulated depreciation and amortization by primary account has been completed.		<input checked="" type="checkbox"/>		
16	Schedule of Long-Term Debt has been completed.		<input checked="" type="checkbox"/>		
17	Schedule of Bond Maturities has been completed.		<input checked="" type="checkbox"/>		
18	If the Long-Term Debt consists of Notes Payable rather than Bonds, then the Notes Payable schedule has been substituted for the Schedule of Bond Maturities.		<input checked="" type="checkbox"/>		
17	Total Col 12	17	<input checked="" type="checkbox"/>		Total Col 4
23	The analysis of water utility plant accounts Cols c through f has been completed.		<input checked="" type="checkbox"/>		
24	Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Operating Revenue.		<input checked="" type="checkbox"/>		
24	The analysis of water operating revenue Cols c through e has been completed.		<input checked="" type="checkbox"/>		
26-30	Schedule of Pumping & Purchased Water Statistics has been completed.		<input checked="" type="checkbox"/>		
27	Total 466 Gal	28	<input checked="" type="checkbox"/>		Total 466
27	Line 13	27	<input checked="" type="checkbox"/>		Line 4 Total Produced & Purchased
Oath name has been completed.					

COPY

PUBLIC SERVICE COMMISSION OF KENTUCKY  
PRINCIPAL PAYMENT AND INTEREST INFORMATION  
FOR THE YEAR ENDING DECEMBER 31, 1998

1. Amount of Principal Payment during calendar year \$ 0
2. Is Principal current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_
3. Is Interest current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_
4. Has all long-term debt been approved by the Public Service Commission?  
(Yes) \_\_\_\_\_ (No) \_\_\_\_\_ PSC Case No. \_\_\_\_\_

SERVICES PERFORMED BY  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are the financial statements examined by a Certified Public Accountant? (Yes) \_\_\_\_\_ (No) ✓

If yes, which service is performed? PIA

- Audit \_\_\_\_\_
- Compilation \_\_\_\_\_
- Review \_\_\_\_\_

Please enclose a copy of the accountant's report with annual report.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1.  Addressee's Address
2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Stacey Graws

4a. Article Number

Z 467 352 310

4b. Service Type

<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Certified
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured
<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

x Beth Douglas

PS Form 3811, December 1994  
 HU - Case 99-210

102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

## MAJOR WATER PROJECTS

COPY

**Instructions:** Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service Commission. For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and which will increase your current utility plant by at least 20%.

**Brief Project Description** (improvement, replacement, building construction, expansion. If expansion, provide the estimated number of new customers):

**Projected Costs and Funding Sources/Amounts:**

**Approval Status:** (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

**Location:** (community, area or nearby roads)

COPY

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FINANCIAL SECTION	Page	WATER OPERATING SECTION	Page
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Reconciliation of Reported Net Income with Taxable Income For Federal Income Taxes (Utility Operations)	23		

COPY

HISTORY

1. Exact name of utility making this report. (Use the words "The," "Company" or "Incorporated" only when a part of the corporate name.)

PAR TEE LLC.

2. Give the location including city, street and number, of the executive office.

595 SPRINGCREST FERRY RD

PERRY PARK KY 40363

3. Give the location, including street and number, and telephone number of the principal office in Kentucky.

SAME

4. Name and address of principal officer within Kentucky. NONE

5. Give name, title, address and telephone number of the officer to whom correspondence concerning this report should be addressed.

GREGORY F MARTINI 11157 SNIDER RD CINCINNATI OH 45249

6. Date of organization. 7/22/1998

7. Under the laws of what Government, State or Territory organized? (If more than one, name all. Give reference to each statute and amendments thereof.)

KENTUCKY

8. If a consolidated or merger company, name all contingent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same.

N/A

9. Date and authority for each consolidation and each merger.

N/A

10. State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. LIMITED LIABILITY CORPORATION

11. If a reorganized company, give name of original corporation, refer to laws under which it was organized and the occasion for the reorganization.

N/A

12. Name all other operating departments. N/A

13. Name of counties in which you furnish water service. 2 WENT

COPY

REPORT OF

PAR TEE LLC

For Year Ended 12/31/1998

Location where books and records are located: 595 SPRINGCREST FERRY RD  
PERRY PARK KY 40363

Contacts:

Name	Title	Principal Business Address	Salary Charged Utility
Send correspondence to: GREGORY F MARTINI	—	11157 SNIDER RD CINCINNATI OH 45249	\$ —
Report prepared by:			\$ —
Officers and Managers			
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
PLYMOUTH PARTNERS	50%	11 OVERHILL RD RVE NY 10580	\$ —
MAJERICKS INC	50%	1671 PARK ST. 1 FT WRIGHT KY 40111	\$ —
			\$
			\$
			\$
			\$
			\$
			\$

COPY

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>UTILITY PLANT</b>				
101-105	Utility Plant.....	11	\$ 0	\$ 40,000
108	Less: Accumulated Depreciation and Amortization.....	11-12	0	762
	Net Plant.....		\$ 0	\$ 39,238
114-115	Utility Plant Acquisition Adjustments (Net).....	13		
	Total Net Utility Plant.....		\$ 0	\$ 39,238
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property.....		\$	\$ 2654323
122	Less: Accumulated Depreciation and Amortization.....			18026
	Net Nonutility Property.....		\$	\$
124	Utility Investments.....	13		
	Total Other Property & Investments..		\$ 0	\$ 2636297
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash.....		\$	\$ 56297
132	Special Deposits.....			
141-143	Accounts Receivable, Less Accumulated Provision for Uncollectible Accounts.....	14		240,448
151	Materials and Supplies.....	14		82,700
174	Misc. Current and Accrued Assets....			35,592
	Total Current and Accrued Assets....		\$ 0	\$ 415,037
<b>DEFERRED DEBITS</b>				
186	Misc. Deferred Debits.....	14		54,224
190	Accumulated Deferred Income Taxes...	15		
	Total Deferred Debits.....		\$ 0	\$ 54,224
	<b>TOTAL ASSETS AND OTHER DEBITS.....</b>		\$ 0	\$ 314,4796

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet

COPY

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued.....	16	\$	\$
204	Preferred Stock Issued.....	16		
211	Other Paid-In Capital.....			
215	Retained Earnings.....	18		
218	Proprietary Capital (Proprietorship and Partnership Only).....			250 509
	<b>Total Equity Capital.....</b>		\$ 0	\$ 250 509
<b>LONG-TERM DEBT</b>				
224	Long-Term Debt.....	16-17		
	<b>Total Long-Term Debt.....</b>		\$	\$
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable.....		\$	\$ 20 457
232	Notes Payable.....	18		275 000
235	Customer Deposits.....			
236	Accrued Taxes.....	19		1 202
237	Accrued Interest.....	20		80 236
242	Miscellaneous Current and Accrued Liabilities.....	20	0	42 392
	<b>Total Current and Accrued Liabilities.....</b>		\$ 0	\$ 239 427
<b>DEFERRED CREDITS</b>				
252	Advances for Construction.....	15		
253	Other Deferred Credits.....			
255	Accumulated Deferred Investment Tax Credits.....			
	<b>Total Deferred Credits.....</b>		\$	\$
<b>OTHER NON-CURRENT LIABILITIES</b>				
265	Accumulated Provision For: Miscellaneous Operating Reserves....			
266	Rate Refunds.....			
	<b>Total Other Non-Current Liabilities.....</b>		\$	\$

COPY

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
271	Contributions In Aid of Construction	21-22	\$	\$
	Tap-on Fees - Customers .....			
	Federal Grants in Aid of Const. ..			
	Other .....			
272	Accumulated Amortization of Contributions In Aid of Construction...			
	<b>Total Net C.I.A.C.....</b>		\$	\$
	<b>ACCUMULATED DEFERRED INCOME TAXES</b>			
281	Accumulated Deferred Income Taxes Accelerated Depreciation.....		\$	\$
282	Accumulated Deferred Income Taxes Liberalized Depreciation.....			
283	Accumulated Deferred Income Taxes Other.....			
	<b>Total Accum. Deferred Income Taxes..</b>		\$	\$
	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>		\$ 0	\$ 3144 796

COPY

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY OPERATING INCOME				
400	Operating Revenues.....	25	\$	\$ 32,508
401	Operating Expenses.....	26	\$	\$ 42,793
403	Depreciation Expenses.....			762
406	Amortization of Utility Plant Acquisition Adjustment.....			
407	Amortization Expense.....			
408	Taxes Other Than Income.....			955
409.10	Income Taxes.....			
410.10	Deferred Income Taxes.....			
411.10	Provision for Deferred Income Taxes Credit.....			
412.10	Investment Tax Credits Deferred to Future Periods.....			
412.11	Investment Tax Credits Restored to Operating Income.....			
	Utility Operating Expenses.....		\$ 0	\$ 4,450
	Total Utility Operating Income.....		\$ 0	\$ 120,027
OTHER INCOME AND DEDUCTIONS				
419	Interest & Dividend Income.....			2,458
420	Allowance for Funds Used During Construction.....			
421	Nonutility Income.....			287,208
426	Miscellaneous Nonutility Expenses...			(462,516)
	Total Other Income and Deductions...		\$ 0	\$ (172,850)
TAXES APPLICABLE TO OTHER INCOME				
408	Taxes Other Than Income.....		\$	\$ 44,288
409.20	Income Taxes.....			
410.20	Provision for Deferred Income Taxes.			
411.20	Provision for Deferred Income Taxes Credit.....			
412.20	Investment Tax Credits - Net.....			
412.21	Investment Tax Credits Restored to Operating Income.....			
	Total Taxes Applic. to Other Income.		\$ 0	\$ 44,288
INTEREST EXPENSE				
427	Interest Expense.....		\$	\$ 120,351
	Total Interest Expense.....		\$	\$ 120,351
	<b>NET INCOME</b>		\$ 0	\$ (349,491)

COPY

NET UTILITY PLANT (ACCTS. 101 - 105)

ACCT. NO.	PLANT ACCOUNTS	TOTAL
101	Utility Plant in Service .....	\$ 40,000
103	Property Held for Future Use.....	
104	Utility Plant Purchased of Sold.....	
105	Construction Work in Progress.....	
	Total Utility Plant.....	\$ 46,000

ACCUMULATED DEPRECIATION & AMORTIZATION (ACCT. 108)

DESCRIPTION	TOTAL
Balance first of year.....	\$ 0
Credit during year:	
Accruals Charged to Account 108.....	762
Accruals Charged to Other Accounts (specify)	
_____	
_____	
Salvage.....	
Other Credits (specify)	
_____	
_____	
Total Credits.....	\$ 762
Debits during year:	
Book Cost of Plant Retired.....	\$
Cost of Removal.....	
Other Debits (specify)	
_____	
_____	
Total Debits.....	\$ -
Balance end of year.....	\$ 762

**ANALYSIS OF ACCUMULATED DEPRECIATION AND AMORTIZATION BY PRIMARY ACCOUNT**

ACCT. NO. (a)	ACCOUNT (b)	BALANCE BEGINNING OF YEAR (c)	CREDITS DURING THE YEAR		CHARGES DURING THE YEAR		BALANCE END OF YEAR (h)
			CHARGES TO DEP. EXP. (d)	OTHER CREDITS (e)	PLANT RETIREMENTS (f)	OTHER CHARGES (g)	
301	Organization.....	\$	\$	\$	\$	\$	
302	Franchises.....						
303	Limited Term Interest in Land and Land Rights.....						
304	Structures & Improvements..	0	762				762
305	Collecting and Impounding Reservoirs.....						
306	Lake River & Other Intakes.						
307	Wells and Springs.....						
309	Supply Mains.....						
310	Power Generating Equipment.						
311	Pumping Equipment.....						
320	Water Treatment Equipment..						
330	Distribution Reservoirs and Standpipes.....						
331	Transmission & Distribution Mains.....						
333	Services.....						
334	Meters and Meter Installations.....						
335	Hydrants.....						
339	Other Plant & Miscellaneous Equipment.....						
340	Office Furniture and Equip.						
341	Transportation Equipment...						
343	Tools, Shop & Garage Equip.						
345	Power Operated Equipment...						
348	Other Tangible Plant.....						
	TOTALS	\$ -0-	\$ 762	\$	\$	\$	\$ 762

COPY

UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCOUNT NAME	TOTAL
Acquisition Adjustments (114)	
.....	\$ N/A
.....	
.....	
.....	
Total Plant Acquisition Adjustments.....	\$
Accumulated Amortization (115)	
.....	\$ N/A
.....	
.....	
.....	
Total Accumulated Amortization.....	\$
Net Acquisition Adjustments.....	\$

INVESTMENTS AND SPECIAL FUNDS (ACCT. 124)

Report hereunder all investments and special funds carried in Account 124.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
UTILITY INVESTMENTS (ACCT. 124):		
.....	\$	\$ N/A
.....		
.....		
.....		
.....		
Total Utility Investments.....		\$

ACCOUNTS AND NOTES RECEIVABLE - NET (ACCOUNTS 141 & 143)

Report hereunder all accounts and notes receivable included in Accounts 141 and 143.

DESCRIPTION	TOTAL
ACCOUNTS RECEIVABLE:	
Customer Accounts Receivable (Acct. 141).....	\$ 274,093
Total Accounts Receivable.....	\$
Accumulated Provision for Uncollectible Accounts (Acct. 143):	
Balance first of year.....	\$ 0
Add: Provision for uncollectibles for current year.....	\$ 33645
Collections of accounts previously written off.....	
Utility accounts.....	
Others.....	
Total Additions.....	\$ 33645
Deduct accounts written off during year:	
Utility Accounts.....	
Other.....	
Total accounts written off.....	\$ -
Balance end of year.....	\$ 33645
Total Accounts Receivable - Net.....	\$ 240,448

MATERIALS AND SUPPLIES (151)

ACCOUNT NAME	TOTAL
Plant Materials and Supplies (Account 151).....	\$ 87500
Total Materials and Supplies.....	\$ 87500

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

DESCRIPTION	TOTAL
Miscellaneous Deferred Debits (Acct. 186):	
Deferred Rate Case Expense .....	\$
Other Deferred Debits .....	54223
Total Miscellaneous Deferred Debits.....	\$ 54223

ACCUMULATED DEFERRED INCOME TAXES (ACCT. 190)

DESCRIPTION	TOTAL
Accumulated Deferred Income Taxes (Acct. 190):	
Federal .....	\$
State .....	
Local .....	
Total Accumulated Deferred Income Taxes.....	\$ -0-

ADVANCES FOR CONSTRUCTION (ACCT. 252)

DESCRIPTION	TOTAL
Balance first of year.....	
Add credits during year.....	
Deduct charges during year.....	
Balance end of year.....	-0-

CAPITAL STOCK (ACCTS. 201 & 204)

(a)	COMMON STOCK (b)	PREFERRED STOCK (c)
Par or stated value per share.....		
Shares authorized.....		
Shares issued and outstanding.....		
Total par value of stock issued.....		
Dividends declared per share for year.....	- 0 -	- 0 -

LONG TERM DEBT (ACCT. 224)  
(OTHER THAN BONDS)

DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL PER BALANCE SHEET DATE (d)
	RATE (b)	AMOUNT (c)	
		\$	\$
Total.....		\$	\$ - 0 -

COPY

ACCOUNT 224, BONDS - HONG

Line No.	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Value of Amount Sold by or for Respondent (3)	Actually Outstanding At Close of Year (4)	Interest During Year	
					Accrued (5)	Actually Paid (6)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total						

SCHEDULE OF BOND MATURITIES

(The total of column 12 must agree with the total of column 4)

Line No.	Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amount (10)	Amounts Paid (11)	Remaining Bonds Outstanding (12)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
TOTAL						

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share.

ACCT. NO. (a)	(b)	AMOUNTS (c)
215	Retained Earnings:	
	Balance beginning of year.....	\$
	Changes to account:	
	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits.....	\$
	Total Credits.....	\$
	Debits.....	\$
	Total Debits.....	\$
	Balance Transferred from Income.....	\$
	Dividends Declared:	
	Preferred Stock Dividends Declared.....	\$
	Common Stock Dividends Declared.....	\$
	Total Dividends Declared.....	\$
	Total Retained Earnings.....	\$ -0-

Notes to Statement of Retained Earnings:

NOTES PAYABLE (ACCOUNT 232)

(a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
			RATE (d)	AMOUNT OF PAYMENT (e)	
Account 232 - Notes Payable:					
PROVIDENT BANK	7/3/98	1/29/99	8.25	\$ 64410	\$ 1750,000
PLYMOUTH PARTNERS	7/3/98	7/3/99	13.00	-	1,000,000
Total Account 232.....				\$ 64410	\$ 2,750,000

COPY

TAXES ACCRUED (ACCOUNT 236)

ACCT. NO. (a)	DESCRIPTION (b)	TOTAL (c)
	Balance first of year.....	\$ 0
	Accruals Charged:	
408	Utility regulatory assessment fees.....	
408	Property taxes.....	
408	Payroll taxes.....	
408	Other taxes and licenses.....	1202
408	Taxes other than income, other income and deductions	
409.10	Federal income taxes.....	
409.10	State income taxes.....	
409.10	Local income taxes.....	
409.20	Income taxes, other inc. taxes, other inc. & deduct.	
410.10	Deferred federal income taxes.....	
410.10	Deferred state income taxes.....	
410.10	Deferred local income taxes.....	
410.20	Provisions for def. inc. taxes, other inc. & deduct.	
411.10	Deferred income taxes - credit.....	
411.20	Provisions for deferred income taxes - credit, other income and deductions.....	
412.10	ITC deferred to future periods.....	
412.11	ITC restored to operating income.....	
412.20	ITC - Net nonutility operations.....	
412.21	ITC - Restored to nonoperating income, utility operations.....	
	Total taxes accrued.....	\$ 1202
	Taxes paid during year:	
408	Utility regulatory assessment fees.....	12927
408	Property taxes.....	20974
408	Payroll taxes.....	11344
408	Other taxes and licenses.....	
408	Taxes other than income, other income and deductions	
409.10	Federal income taxes.....	
409.10	State income taxes.....	
409.10	Local income taxes.....	
409.20	Income taxes, other inc. taxes, other inc. & deduct.	
410.10	Deferred federal income taxes.....	
410.10	Deferred state income taxes.....	
410.10	Deferred local income taxes.....	
410.20	Provisions for def. inc. taxes, other inc. & deduct.	
411.10	Deferred income taxes - credit.....	
411.20	Provisions for deferred income taxes - credit, other income and deductions.....	
412.10	ITC deferred to future periods.....	
412.11	ITC restored to operating income.....	
412.20	ITC - Net nonutility operations.....	
412.21	ITC - Restored to nonoperating income, utility operations.....	
	Total taxes paid.....	\$ -5243
	Balance end of year.....	\$ 45243



**REGULATORY COMMISSION EXPENSE - AMORTIZATION  
OF RATE CASE EXPENSE (ACCOUNT 665)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED TO ACCOUNT NO. 186.1 (c)	CHARGED OFF DURING YEAR AMOUNT (e)
	\$	\$	\$
Total.....	\$	\$	\$ N/A

**CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)**

DESCRIPTION	TOTAL
Balance first of year.....	\$
Add credits during year.....	\$
Deduct charges during year.....	\$
Balance end of year.....	\$
Less Accumulated Amortization.....	\$
Net Contributions in Aid of Construction.....	\$ N/A

COPY

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES  
(UTILITY OPERATIONS)

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the Federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

DESCRIPTION	REF.	AMOUNT
Net income for the year.....		\$ 349,497
Reconciling items for the year:		
Taxable income not reported on books:		
_____		_____
_____		_____
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		
NON DEDUCTIBLE MEALS		32
RELATED PARTY INTEREST		55,250
_____		_____
_____		_____
_____		_____
Income recorded on books not included in return:		
_____		_____
_____		_____
_____		_____
_____		_____
Deduction on return not charged against book income:		
_____		_____
_____		_____
_____		_____
_____		_____
Federal tax net income.....		\$ 294,209
Computation of tax:		

COPY

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization.....	\$	\$	\$	\$
302	Franchises.....				
303	Land and Land Rights.....				
304	Structures & Improvements..	0	40,000		40,000
305	Collecting and Impounding Reservoirs.....				
306	Lake River & Other Intakes.				
307	Wells and Springs.....				
309	Supply Mains.....				
310	Power Generation Equipment.				
311	Pumping Equipment.....				
320	Water Treatment Equipment..				
330	Distribution Reservoirs & Standpipes.....				
331	Transmission & Distribution Mains.....				
333	Services.....				
334	Meters and Meter Installations.....				
335	Hydrants.....				
339	Other Plant & Miscellaneous Equipment.....				
340	Office Furniture and Equip.				
341	Transportation Equipment...				
343	Tools, Shop and Garage Eq..				
345	Power Operated Equipment...				
348	Other Tangible Plant.....				
	Total Water Plant.....	\$ 0	\$ 40,000	\$	\$ 40,000

COPY

WATER OPERATING REVENUE

ACCT. NO. (a)	(b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
460	Unmetered Water Revenue.....			\$
461	Metered Water Revenue:			
461.1	Sales to Residential Customers.....			\$ 32508
461.2	Sales to Commercial Customers.....			
461.3	Sales to Industrial Customers.....			
461.4	Sales to Public Authorities.....			
461.5	Sales to Multiple Family Dwellings.....			
461.6	Sales through Bulk Loading Stations....			
	Total Metered Sales.....			\$ 32508
462	Fire Protection Revenue:			
	Total Fire Protection Revenue.....			\$
465	Sales to Irrigation Customers.....			
466	Sales for Resale.....			
	Total Sales of Water.....			\$
	Other Water Revenues:			
474	Other Water Revenues.....			
475	Provision for Rate Refunds.....			
	Total Other Water Revenues.....			\$
	Total Water Operating Revenues.....			\$ 32508

COPY

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)
601	Salaries and Wages - Employees.....	\$ 6179
603	Salaries and Wages - Officers, Directors & Majority Stockholders.....	
604	Employee Pensions and Benefits.....	
610	Purchased Water.....	
615	Purchased Power.....	
616	Fuel for Power Production.....	
618	Chemicals.....	4083
620	Materials and Supplies.....	
630	Contractual Services.....	
640	Rents. ....	
650	Transportation Expenses.....	
655	Insurance.....	
665	Regulatory Commission Expenses.....	
670	Bad Debt Expense.....	
675	Miscellaneous Expenses.....	32,531
	Total Water Utility Expenses.....	\$ 42793

PUMPING AND PURCHASED WATER STATISTICS

(a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	WATER PUMPED FROM WELLS (Omit 000's) (c)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) (d)	WATER SOLD TO CUSTOMERS (Omit 000's) (e)
January.....	N/A	N/A	N/A	N/A
February.....				
March.....				
April.....				
May.....				
June.....				
July.....				
August.....		2386	2386	2028
September.....		2102	2102	1787
October.....		2023	2023	1720
November.....		1978	1978	1681
December.....		1824	1824	1550
Total for year.....	N/A	10313	10,313	8766

Maximum gallons pumped by all methods in any one day (Omit 000's): 144,000

Date 10/26/98

Minimum gallons pumped by all methods in any one day (Omit 000's): 40,000

Date 12/4/98

If water is purchased for resale, indicate the following:

Vendor N/A

Point of delivery N/A

If water is sold to other water utilities for redistribution, list names of such utilities below:

N/A

SALES FOR RESALE (466)

COPY

LINE #	COMPANY	GALLONS	AVG. RATE (CENTS)	AMOUNT
1				
2				
3				
4				
5				
6				
7	TOTAL			

WATER PRODUCED, PURCHASED AND DISTRIBUTED

LINE #	ITEM	GALLONS
1	WATER PRODUCED AND PURCHASED:	
2	Water Produced	10,313,000
3	Water Purchased	0
4	TOTAL PRODUCED AND PURCHASED	10,313,000
5	DISTRIBUTION OF WATER PRODUCED AND PURCHASED:	
6	Water Sold:	
7	TOTAL SALES OF WATER	8,766,000
8	OTHER WATER USED:	
9	Free Customers (estimate portion not metered)	NONE
10	Water Used by Company (estimate portion not metered)	309,400.
11	Line Loss and Other Unaccounted for Water (estimate)	1,237,600
12	TOTAL OTHER WATER USED	1,547,000
13	TOTAL (must agree with line 4 above)	10,313,000

PERCENTATE OF LINE LOSS (line 11 divided by line 4) 12 %

WATER STATISTICSCUSTOMER TYPENUMBER OF GALLONS SOLD

Residential (460)	
Commercial (460)	
Industrial (460)	
TOTAL (460)	
Residential (461)	8,766,000
Commercial (461)	
Industrial (461)	
TOTAL (461)	8,766,000
Private Fire-Protection Service (462)	
Public Fire-Protection Service (463)	
Other Sales to Public Authorities (464)	
Sales to Irrigation Customers (465)	
Sales for Resale (466)	
TOTAL GALLONS OF WATER SOLD	8,766,000





COPY

# OATH

Commonwealth of \_\_\_\_\_ }  
County of \_\_\_\_\_ } ss:

\_\_\_\_\_ makes oath and says  
(Insert here the name of the affiant)

that he is \_\_\_\_\_ of  
(Insert here the official title of the affiant)

\_\_\_\_\_ ;  
(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including \_\_\_\_\_, 19\_\_\_\_, to and including \_\_\_\_\_, 19\_\_\_\_\_

\_\_\_\_\_  
(Signature of affiant)

Subscribed and sworn to before me, a \_\_\_\_\_, in and for the  
State and County above named, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_

(Apply Seal  
Here)

My commission expires \_\_\_\_\_

\_\_\_\_\_  
(Signature of officer authorized to administer oaths)

# 1998 TAX RETURN FILING INSTRUCTIONS

## SEWER UTILITIES ANNUAL REPORT

FOR THE YEAR ENDING

DECEMBER 31, 1998

COPY

<b>Prepared for</b>	PAR TEE LLC 595 SPRINGCREST FERRY ROAD PERRY PARK, KY., 40363
<b>Prepared by</b>	CLARK, SCHAEFER, HACKETT & CO. 105 EAST FOURTH STREET, SUITE 1600 CINCINNATI, OH 45202-4093
<b>To be signed and dated by</b>	TAXPAYER(S)
<b>Amount of tax</b>	Total tax                      N/A
<b>Make check payable to</b>	N/A
<b>Mail tax return and check to</b>	PUBLIC SERVICE COMMISSION 760 SCHENKEL LANE P.O. BOX 615 FRANKFORT, KY., 40602
<b>Return must be mailed on or before</b>	MAY 31, 1998
<b>Special instruction</b>	THE LAST PAGE NEEDS TO BE SIGNED AND NOTORIZED. THE REPORT IS FILED IN DUPLICATE. PLEASE RETAIN A COPY FOR YOUR RECORDS.

SEWER UTILITIES

ANNUAL REPORT

OF

PFR TEE LLC

(NAME OF RESPONDENT)

795 SPRINGCREST FERRY RD., PERRY PARK KY 40363

(ADDRESS OF PRINCIPAL BUSINESS OFFICE AT END OF YEAR)

TO THE

# Public Service Commission of Kentucky

730 SCHENKEL LANE  
P.O. BOX 615  
FRANKFORT, KENTUCKY 40602

FOR THE YEAR ENDED DECEMBER 31, 1998

copy

PUBLIC SERVICE COMMISSION OF KENTUCKY  
PRINCIPAL PAYMENT AND INTEREST INFORMATION  
FOR THE YEAR ENDING DECEMBER 31, 19\_\_

1. Amount of Principal Payment during calendar year \$ 0
2. Is Principal current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_
3. Is Interest current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_

SERVICES PERFORMED BY  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are your financial statements examined by a Certified Public Accountant? YES \_\_\_\_\_ NO X \_\_\_\_\_

If yes, which service is performed? N/A

AUDIT \_\_\_\_\_  
COMPILATION \_\_\_\_\_  
REVIEW \_\_\_\_\_

Please enclose a copy of the accountant's report with annual report.

**Additional Information Required by Commission Orders**

Provide any special information required by prior Commission orders, as well as any narrative explanations necessary to fully explain the data. Examples of the types of special information that may be required by Commission orders include surcharge amounts collected, refunds issued, and unusual debt repayments.

Case #	Date of Order	Item/Explanation
		COPY

Attach additional sheets if more room is needed

1000

AUDIT OF THE ANNUAL REPORT  
SEWER UTILITIES  
To Be Completed and Returned With Annual Report

Page No.	Line No.	Page No.	Line No.	Yes	No	If No, Explain Why
	2	4	12	<input checked="" type="checkbox"/>		
	2	6	15 (Utility Plant)	<input checked="" type="checkbox"/>		
	2	7	17 (Utility Plant)	<input checked="" type="checkbox"/>		
	4	2 (Utility Plant)	40 (Utility Plant)	<input checked="" type="checkbox"/>		
	4	23	15 (Utility Plant)	<input checked="" type="checkbox"/>		
	3	4 & 5	Capital Stock	<input checked="" type="checkbox"/>		
	3	10	Balance End of Year Statement of Retained Earnings	<input checked="" type="checkbox"/>		
	3	19	Long-Term Debt, Total (d)	<input checked="" type="checkbox"/>		
	3	23	Notes Payable, Total (e)		<input checked="" type="checkbox"/>	1,000,000.00 ASSOCIATED COMPANY
	3	29	Interest Accrued, Balance End of Year, Total	<input checked="" type="checkbox"/>		
	3	30	21	<input checked="" type="checkbox"/>		
	4	3 (Depreciation)	25	<input checked="" type="checkbox"/>		
	6	Interest Accrued During Year-LTD	40	<input checked="" type="checkbox"/>		
	6	Interest Accrued During Year-Other	43	<input checked="" type="checkbox"/>		
	8	24	52	<input checked="" type="checkbox"/>		
	8	27	Acct. 408.1	<input checked="" type="checkbox"/>		
	8	28	Total Income Taxes Utility Operating Income	<input checked="" type="checkbox"/>		

AUDIT OF THE ANNUAL REPORT  
SEWER UTILITIES

1000

TO BE COMPLETED AND RETURNED WITH ANNUAL REPORT

<u>Page No.</u>	<u>Line No.</u>	<u>Page No.</u>	<u>Line No.</u>	<u>Yes</u>	<u>No</u>	<u>If No, Explain Why</u>
8	26	10	Amortization Expense	✓		
8	44	10	Account 408.2	✓		
8	45	10	Total Income Taxes Nonutility Operating Income	✓		
<u>Pages 11 and 12 have been completed</u>						
<u>The Oath Page has been completed</u>						



## BALANCE SHEET

COPY

Line No.	ASSETS AND OTHER DEBITS	Balance First Of Year	Balance Last Of Year
1			
2	UTILITY PLANT		
3			
4	Utility Plant(101-109)		40,000
5	Less: Accum. Prov. for Depr. and Amort.		
6	of Utility Plant(110)		2176
7	Net Utility Plant		37824
8			
9	OTHER PROPERTY AND INVESTMENTS		
10			
11	Non-Utility Property(121)		571 008.
12	Less: Accum. Prov. for Depr. and Amort.		16612
13	of Non-Utility Property(122)		
14	Net Non-Utility Property		554396
15	Other Investments(124)		
16	Special Funds(125)		
17	LAND		2083315
18			
19	Total Other Property and Investments		2675535
20			
21	CURRENT AND ACCRUED ASSETS		
22			
23	Cash and Working Funds(131)		56,297
24	Temporary Cash Investments(132)		
25	Notes Receivable(141)		
26	Customer Accounts Receivable(142)		250 237
27	Other Accounts Receivable(143)		23 856
28	Accum. Prov. for Uncollectible Accts.-Cr.(144)		< 33 6457
29	Notes Receivable from Assoc. Companies(145)		
30	Accounts Receivable from Assoc. Companies(146)		
31	Materials and Supplies(150)		82700
32	Prepayments(166)		
33	Other Current and Accrued Assets(170)		
34	STORAGE TANK REFUND		16 500
35	DEPOSITS		6095
36	PREPAID EXPENSES		12 997
37	Total Current and Accrued Assets		415 037
38			
39	DEFERRED DEBITS		
40			
41	Unamortized Debt Discount and Expense(181)		27 083
42	Extraordinary Property Losses(182)		
43	Other Deferred Debits(183)		
44	ORGANIZATION COSTS NET		27 141
45			
46			
47	Total Deferred Debits		54224
48			
49			
50	TOTAL ASSETS AND OTHER DEBITS		3144796

BALANCE SHEET

COPY

Line No.	LIABILITIES AND OTHER CREDITS	Balance First Of Year	Balance Last Of Year
1			
2	EQUITY CAPITAL		
3			
4	Common Capital Stock(201)		
5	Preferred Capital Stock(204)		
6	Other Paid-In Capital(207)		
7	Discount on Capital Stock(213)		
8	Capital Stock Expense(214)		
9	Appropriated Retained Earnings(215)		
10	Unappropriated Retained Earnings(216)		
11	Non-Corporate Proprietorship(218) CAPITAL		250 509
12	Total Equity Capital		250 509
13			
14	LONG TERM DEBT		
15			
16	Bonds(221)		
17	Advances From Associated Companies(223)		
18	Other Long Term Debt(224)		
19	Total Long Term Debt		
20			
21	CURRENT AND ACCRUED LIABILITIES		
22			
23	Notes Payable(231)		1750 000
24	Accounts Payable(232)		20 457
25	Notes Payable to Associated Companies(233)		1000 000
26	Accounts Payable to Associated Companies(234)		6 90
27	Customer Deposits(235)		
28	Taxes Accrued(236)		202
29	Interest Accrued(237)		80 236
30	Other Current and Accrued Liabilities(238)		41 702
31	Total Current and Accrued Liabilities		2824 287
32			
33	DEFERRED CREDITS		
34			
35	Advances for Construction(252)		
36	Other Deferred Credits(253)		
37	Accum. Deferred Investment Tax Credits(255)		
38	Total Deferred Credits		
39			
40	Operating Reserves(261-265)		
41			
42	Contributions in Aid of Construction(271)		
43			
44	ACCUMULATED DEFERRED INCOME TAXES		
45			
46	Accum. Def. Income Taxes-Accel. Amort.(281)		
47	Accum. Def. Income Taxes-Lib. Depr.(282)		
48	Accum. Def. Income Taxes-Other(283)		
49	Total Accum. Deferred Income Taxes		
50	TOTAL LIABILITIES AND OTHER CREDITS		3144 796

SUMMARY OF UTILITY PLANT

copy!

Line No.	Acct No.	Item	Amount
<b>UTILITY PLANT</b>			
1		In Service:	
2	101	Plant in Service Classified(from pg. 5, line 40)	40,000
3	102	Completed Construction Not Classified	
4	103	Utility Plant in Process of Reclassification	
5	106	Utility Plant Purchased or Sold	
6		Total-In Service	40000
7	104	Utility Plant Leased to Others	
8	105	Property Held for Future Use	
9	107	Construction Work in Progress	
10	108	Utility Plant Acquisition Adjustments	
11	109	Other Utility Plant Adjustments	
12		Total Utility Plant(to pg. 2, line 4)	40,000
13		Less:	
14	110	Accumulated Provision for Depreciation and	
15		Amort. of Utility Plant(to pg. 2, line 6)	2176.
16			
17		<b>NET UTILITY PLANT(to pg. 2, line 7)</b>	<b>37824</b>

ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Line No.	Item	Amount
1	Balance Beginning of Year	0
2	Accruals for Year:	
3	Depreciation	2176
4	Amortization	
5	Other Accounts(detail):	
6		
7		
8	Total Accruals for Year	2176
9	Credit Adjustments(describe):	
10		
11		
12	Total Credits for Year	2176
13		
14	Net Charges for Plant Retired:	
15	Book Cost of Plt. Ret.(same as pg. 5, line 40)	<del>                    </del>
16	Add: Cost of Removal	<del>                    </del>
17	Less: Salvage	<del>                    </del>
18	Net Charges for Plant Retired	
19	Debit Adjustments(describe):	
20		
21		
22	Total Debit Adjustments for Year	
23	Balance End of Year	2176

COPY!

**CAPITAL STOCK**

Class and Series of Stock (a)	No. Of Shares Auth. (b)	Par Value Per Share of Par Value Stk. (c)	Stated Val. Per Share Of Nonpar Stock (d)	Outstanding Per Balance Sheet	
				Shares (e)	Amount (f)
NONE					

**LONG-TERM DEBT**

List Each Original Issue Amt., Class & Series of Obligation (a)	Date Of Issue (b)	Date Of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest For The Year	
				Rate (e)	Amount (f)
<b>Total</b>					

**NOTES PAYABLE**

(Include Notes Payable to Associated Companies Under This Heading)

Name of Payee (a)	Date Of Note (b)	Date Of Maturity (c)	Interest Rate (d)	Balance End Of Year (e)
PROVIDENT BANK	7/31/98	11/29/99	8.25%	1750000
DUNMOUTH PARTNERS	7/31/97	7/31/99	7.5%	1000000
<b>Total</b>				2750000

**INTEREST ACCRUED**

Description Of Obligation (a)	Int. Accr. Balance First Of Yr. (b)	Int. Accr. During Year (c)	Int. Paid During Year (d)	Int. Accr. Balance End Of Year
PROVIDENT BANK	0	39396	1,4410	24986
DUNMOUTH PARTNERS	0	55250	-	55250
2003 GENERAL FUND	0	691	691	-
<b>Total</b>		145337	25101	20236

**SEWER UTILITY PLANT IN SERVICE**

Report in col. (e) entries reclass. property from one acct. to another. Corrections of entries of the prec. yr. should be recorded in col. (c) or (d) as they are corrections of additions or retirements.

Line No.	Account	Depr. Rate	Balance First of Yr	Additions	Retire-ments	Adj.-Inc. or Dec.	Balance End of Year
1	INTANGIBLE PLANT	---					
2	Organization(301)	---					
3	Franchise and Consents(302)	---					
4	Miscellaneous Intangible Plant(303)	---					
5	Total Intangible Plant	---					
6	LAND AND STRUCTURES	---					
7	Land and Land Rights(310)			40000			40000
8	Structures and Improvements(311)			40000			40000
	Total Land and Structures			40000			40000
	COLLECTION PLANT						
10	Collection Sewers-Force(352.1)						
11	Collection Sewers-Gravity(352.2)						
12	Other Collection Plant Facilities(353)						
13	Services to Customers(354)						
14	Flow Measuring Devices(355)						
15	Total Collection Plant						
16	PUMPING PLANT						
17	Receiving Wells and Pump Pits(362)						
18	Pumping Equipment-Electric(363A)						
19	Pumping Equipment-Diesel(363B)						
20	Pumping Equipment-Other(363C)						
21	Total Pumping Plant						
22	TREATMENT AND DISPOSAL PLANT						
23	Oxidation Lagoon(372)						
24	Treatment and Disposal Equipment(373)						
25	Plant Sewers(374)						
26	Outfall Sewer Lines(375)						
27	Other Treat. & Dis. Plt. Equip.(376)						
28	Total Treatment and Disposal Plant						
29	GENERAL PLANT						
30	Office Furniture and Equipment(391)						
31	Transportation Equipment(392)						
32	Stores Equipment(393A)						
33	Tools, Shop & Garage Equipment(393B)						
34	Laboratory Equipment(393C)						
35	Power Operated Equipment(393D)						
36	Communication Equipment(393E)						
37	Other Tangible Property(393F)						
38	Total General Plant						
39	TOTAL SEWER PLANT IN SERVICE			40000			40000
40							

**OTHER CURRENT AND ACCRUED LIABILITIES**

COPY

Line No.	Sub-Account and Description	Amount
1	GIFT CERTIFICATES	270
2	DEPOSITS	90
3	PAYROLL WITHHOLDING	497
4	SALES TAX PAYABLE	988
5	ACCRUED PAYROLL	4342
6	ACCRUED EXPENSE	35514
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	Total (Must agree with page 3, line 30, Acct. No. 238)	41702

**STATEMENT OF RETAINED EARNINGS FOR THE YEAR**

Item (a)	This Year (b)	Last Year (c)
<b>UNAPPROPRIATED RETAINED EARNINGS(216)</b>		
Balance Beginning of Year	0	N/A
Balance Transferred From Income(435)		
Appropriations of Retained Earnings(436):		
Dividends Declared-Preferred Stock(437)		
Dividends Declared-Common Stock(438)		
Adjustments to Retained Earnings(439):		
Balance End of Year	0	N/A

FESTIVAL MARKET/L.F.C. GARAGE

A 792-737



Central  
Parking  
System

22 9 34

Give Ticket To  
Attendant At  
Exit When Car  
Is Removed

**LOCK YOUR CAR**

THIS IS A LICENSE. NO PAYMENT CREATED. HOLDER MAY PARK ONE AUTOMOBILE  
IN THIS AREA AT HIS OWN RISK OF ANY FIRE, THEFT OR DAMAGE TO AUTO OR  
CONTENTS OF SAME. 69517 SOUTH LAND PRINTING - SHREVEPORT, LA.

STATEMENT OF INCOME FOR THE YEAR

COPY

Line No.	Account (a)	Number Of Customers (b)	Amount (c)
1	OPERATING REVENUES		
2	Flat Rate Revenues-General Customers:		
3	Residential Revenues(521.1)		13098
4	Commercial Revenues(521.2)		
5	Industrial Revenues(521.3)		
6	Revenues From Public Authorities(521.4)		
7	Total(521)		13098
8	Measured Revenues-General Customers:		
9	Residential Revenues(522.1)		
10	Commercial Revenues(522.2)		
11	Industrial Revenues(522.3)		
12	Revenues From Public Authorities(522.4)		
13	Total(522)		
14	Revenues From Public Authorities(523)		
15	Revenues From Other Systems(524)		
16	Miscellaneous Sewage Revenues(526)		
17	Total Sewage Service Revenues(521-526)		
18	OTHER OPERATING REVENUES		
19	Customers Forfeited Discounts(532)		
20	Miscellaneous Operating Revenues(536)		
21	Total Other Operating Revenues		
22	Total Operating Revenues		
23	OPERATING EXPENSES		
24	Total Sewer Operation & Maint. Exp.(from pg.9, line52)		8332
25	Depreciation Expense(403)		2176
26	Amortization Expense(404-407/from pg.10)		
27	Taxes Other Than Income Taxes(408.1/from pg.10)		
28	Total Income Taxes-Utility Operating Income(from pg.10)		
29	Total Sewage Operating Expenses		10508
30	Net Operating Income		2590
31	OTHER INCOME		
32	Income From Nonutility Operations(417)		259359
33	Interest and Dividend Income(419)		2458
34	Miscellaneous Nonoperating Income(421)		32509
35	Other Accounts(Specify Account No. and Title):		13056
36	FARM INCOME		
37			
38	Total Other Income		300576
39	OTHER DEDUCTIONS		
40	Interest on Long Term Debt(427)		
41	Amortization of Debt Discount and Expense(428)		12884
42	Interest on Debt to Associated Companies(430)		55250
43	Other Interest Expense(431)		65101
44	Taxes Other Than Income Taxes(408.2/from pg.10)		44993
45	Total Income Taxes-Nonutil. Operat. Income(from pg.10)		
46	Other Accounts(Specify Account No. and Title):		-82928
47			
48			
49	Total Other Deductions		661156
50	NET INCOME (LOSS)		<349-907

Par-Tee LLC  
Statement of Income for the Year

COPY!

Other Deductions, Page 8, Line

Cost of Sales	30,614
Salaries	190,811
Benefits	18,508
Contract Labor	4,418
Supplies	6,273
Gas/Gas Products	3,752
Linen	5,750
Uniforms	152
Chemical/Fertilizer	11,095
Equipment Rental	2,466
License & Permits	220
Operating Expense	3,505
Advertising	578
Utilities	21,692
Telephone	7,475
Postage	1,184
Bank Charges	533
Payroll Service Fee	1,327
Repairs & Maintenance	39,491
Auto Expenses	5,625
Miscellaneous Expense	3,294
Travel & Meals	65
Bad Debt	2,651
Legal & Professional Fees	32,161
Grounds/Landscaping	7,892
Depreciation Expenses	16,612
Insurance	11,084
Equipment Leasing	53,700
Total Other Deductions	<u>482,928</u>

SEWER OPERATION AND MAINTENANCE EXPENSES

copy

Line No.	Account (a)	Amount (b)
1	OPERATION EXPENSES	
2	Supervision and Engineering(700):	
3	Owner/Manager-Management Fee(700-A)	
4	Other Expenses(700-B)	
5	Labor and Expenses(701):	
6	Collection System-Labor, Mat'ls. & Expenses(701-A)	
7	Pumping System-Labor, Mat'ls. & Expenses(701-B)	
8	Treatment System(701-C):	
9	Sludge Hauling	
10	Utility Service-Water Cost	
11	Other-Labor, Mat'ls. and Expenses	
12	Rents(702)	
13	Fuel and Power Purchased for Pumping & Treatment(703)	
14	Chemicals(704)	
15	Miscellaneous Supplies and Expenses(705):	3906
16	Collection System(705-A)	
17	Pumping System(705-B)	
18	Treatment and Disposal(705-C)	
19	Total Operation Expenses	3906
20	MAINTENANCE EXPENSES	
21	Supervision and Engineering(710):	
22	Routine Maintenance Service Fee(710-A)	
23	Internal Supervision and Engineering(710-B)	
24	Maintenance of Structures and Improvements(711)	2924
25	Maintenance of Collection Sewer System(712)	
26	Maintenance of Pumping System(713)	
27	Maintenance of Treatment and Disposal Plant(714)	
28	Maintenance of Other Plant Facilities(715)	
29	Total Maintenance Expenses	2924
30	CUSTOMER ACCOUNTS EXPENSES	
31	Supervision(901)	
32	Meter Reading Expenses and Flat Rate Inspections(902)	
33	Customer Records and Collection Expenses(903):	
34	Agency Collection Fee(903-A)	
35	Internal Labor, Materials and Expenses(903-B)	
36	Uncollectible Accounts(904)	
37	Miscellaneous Customer Accounts Expenses(905)	
38	Total Customer Accounts Expenses	
39	ADMINISTRATIVE AND GENERAL EXPENSES	
40	Administrative and General Salaries(920)	
41	Office Supplies and Other Expenses(921)	
43	Outside Services Employed(923)	1250
44	Insurance Expense(924)	
45	Employee Pensions and Benefits(926)	
46	Regulatory Commission Expense(928)	
47	Transportation Expenses(929)	
48	Miscellaneous General Expenses(930) <small>Personnel Expenses - 100</small>	250
49	Rents(931)	
50	Maintenance of General Plant(932)	
51	Total Administrative and General Expenses	1500
52	TOTAL SEWER OPERATION & MAINT. EXP. (to pg. 8, line 24)	8332

Copy

**TAXES OTHER THAN INCOME TAXES(408)**

Show hereunder the various tax items which make up the amounts listed under Account Numbers 408.1 and 408.2 appearing on page 8, lines 27 and 44.

Line No.	Item (a)	Amount (b)
1	Payroll Taxes	20,972
2	Property Taxes	12,927
3	Utility Regulatory Commission Assessment	
4	Other(Specify):	
5	PERSONAL PROPERTY	1466
6	OTHER	9628
7		
8		
9		
10		
11		
12	TOTAL(Same as page 8, line 27 plus 44)	44,993

**OPERATING AND NON-OPERATING INCOME TAXES**

Acct. No.	Account (a)	Amount (b)
409.1	Income Taxes-Federal	
409.1	Income Taxes-State	
409.1	Income Taxes-Other	
410.1	Provisions for Deferred Income Taxes	
411.1	Income Taxes Deferred in Prior Years-Credit	
412.0	Investment Tax Credits-Net	
	Total Income Taxes-Util. Operat. Income(to pg 8, line 28)	
409.2	Income Taxes-Federal	
409.2	Income Taxes-State	
409.2	Income Taxes-Other	
410.2	Provisions for Deferred Income Taxes	
411.2	Income Taxes Deferred in Prior Years-Credit	
412.4	Investment Tax Credits-Net	
	Total Inc. Taxes-Nonutil. Op. Income(to pg. 8, line 45)	

**AMORTIZATION EXPENSE**

Acct. No.	Account (a)	Amount (b)
404	Amortization of Limited-Term Utility Plant	
405	Amortization of Other Utility Plant	
406	Amortization of Utility Plant Acquisition Adjustments	
407	Amortization of Property Losses	
-	Amortization of Rate Case Expense	
	Total Amortization Expense(to pg. 8, line 26)	

SEWER PLANT STATISTICS

copy

PLANT VALUATION

1. What method of valuation was used with reference to Sewer Utility Plant in Service appearing on page two, line four: Original Cost, Estimated Cost, Original Cost Study? ORIGINAL COST
2. What percentage of Sewer Utility Plant in Service was recovered, by the developer of the subdivision, through the sale of lots? NONE %
3. If less than one-hundred percent of the utility plant was recovered, please designate what portion (collection lines, treatment plant, ect.) of the plant that represents non-contributed plant \_\_\_\_\_
4. By whom were the books of account audited? N/A  
What was the date of the last audit? N/A  
If unaudited in the past twelve months, when and by whom is the next audit anticipated? N/A

PHYSICAL DATA OF SEWER PLANT

1. Date of construction of original plant 1971
2. Type of treatment process PRIMARY AERATION CHLORINE TREATMENT
3. Date and additional G.P.D. Capacity of subsequent additions to plant NONE
4. Population for which plant is designed including population equivalent of industrial waste load 540

TREATMENT PLANT OPERATING STATISTICS

1. Total gallons received during the year 8,813,200
2. Total gallons received on maximum day 57,600
3. Maximum G.P.D. Capacity of the sewage treatment plant 50,000
4. Routine maintenance service fee:  
Cost per month \$ 1,000.00  
Contract expires \_\_\_\_\_
5. Sludge hauling:  
Cost per load \$ 345.00  
Average number of gallons per load 3,000  
Number of loads this year N/A

**SEWER PLANT STATISTICS**

*copy*

**CUSTOMER STATISTICS-END OF YEAR**

Type	Number of Customers	Bi-Monthly Or Monthly Billing?	Number of Bills Pertaining to Each Type of Customer
<b>Residential:</b>			
Single Family			
Apartments/Condominiums			
<b>Commercial</b>			
<b>Industrial</b>			
<b>Other (Specify):</b>			
<b>Total</b>			

**INDUSTRIAL CUSTOMERS SERVED**

Name And Type Of Industry	Metered Or Estimated Gals.	Pretreatment Of Wastes

**PUMPING STATIONS**

Location	Size Of Motor	Type Of Motor	Capacity Gals. Per Day
INVERNESS ROAD	2 - 5HP	GRINDER PUMP	24,000

**MAINS (FEET)**

Kind Of Pipe (Cast Iron, Vit. clay, concrete)	Diameter Of Pipe	No. Of Feet 1st of Year	Additions	Removed or Abandoned	No. Of Feet End Of Year
NOT READILY AVAILABLE					

**SERVICE LATERALS AND STUBS**

Number of service laterals owned by the utility, end of year 4  
 Number of stubs as of end of year 110  
 Number of service laterals owned by others 70

copy

OATH

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

ss:

Before me, the undersigned officer duly authorized to administer oaths, there personally appeared \_\_\_\_\_, (Name of affiant)

who, being first sworn by me, says on oath that he has charge of the records of \_\_\_\_\_ (Exact legal name of company)

and that the foregoing report is true to the best of his knowledge and belief, and that it covers the period from January 1, 19\_\_\_\_\_, to December 31, 19\_\_\_\_\_.

\_\_\_\_\_  
(Signature of affiant)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
Notary Public, County of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_, 19\_\_\_\_\_.

(SEAL)



ICH  
CORPORATION

RECEIVED

JUN 17 1999

PUBLIC SERVICE  
COMMISSION

June 16, 1999

**John A. Bicks**  
*Executive Vice President  
and General Counsel*

**BY TELECOPIER AND FEDERAL EXPRESS**

Ms. Helen Helton, Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

Re: Case No. 99-210

Dear Ms. Helton:

Yesterday I received a copy of the Order dated May 24, 1999 and issued by the Commonwealth of Kentucky Public Service Commission in the above-referenced case (the "Order"). Pursuant to the Order, it appears that the due date for the corporation's response passed on Monday of this week. As I advised Mr. J. R. Goff of your office by telephone, we are in the process of retaining local counsel to represent the corporation in this matter, and will require some brief extension of time in which to respond to the Order and/or to move for an informal conference with the Commission Staff. Pending the filing of a formal request for such an extension with your office, kindly consider this letter as the corporation's request for such an extension.

We look forward to working with you and the Commission Staff to resolve this matter in an appropriate and expeditious fashion and appreciate your consideration in the matter. Please feel free to call me if you have any questions.

Very truly yours,

John A. Bicks

JAB:hs



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

June 17, 1999

Senator Richard L. Roeding  
State Capitol Annex  
Room 257  
Frankfort, KY 40601

RE: Case No. 99-120  
Intervention Request

Dear Senator Roeding:

The Commission has received your letter dated June 11 concerning the above case. We have two types of intervention, limited or full. Enclosed is a copy of our regulation that describes each. If you will advise which type of intervention you are requesting, Commission staff will be able to process your request and know which mailings you should receive in the future.

Thank you for your interest and concern in this matter.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

rlm  
Enclosure



AN EQUAL OPPORTUNITY EMPLOYER M/F/D



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

June 17, 1999

Mr. Paul D. Minch  
President PPROA  
P.O. Box 58  
Perry Park, KY 40363

RE: Case No. 99-210  
Intervention Request

Dear Mr. Minch:

The Commission has received your letter dated June 24 concerning the above case. We have two types of intervention, limited or full. Enclosed is a copy of our regulation that describes each. If you will advise which type of intervention you are requesting, Commission staff will be able to process your request and know which mailings you should receive in the future.

It is equally important to understand that you can only represent yourself as an individual before the PSC in any proceedings. Under Kentucky law you cannot represent a corporation or other legal entity. This would include the Perry Park Resort Owners Association. An attorney must represent corporations or special legal entities before the PSC, even though it may be a homeowner association.

Thank you for your interest and concern in that matter.

Sincerely,  
*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

rlm  
Enclosure



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

J. Goff  
Rice



RECEIVED

JUN 15 1999

PUBLIC SERVICE  
COMMISSION

State Capitol Annex  
Room 257

Frankfort, Kentucky 40601  
(502) 564-2450

Message Number 1-800-372-7181  
droeding@mail.lrc.state.ky.us

**RICHARD L. "DICK" ROEDING, R.Ph.**

Senate Republican Caucus ~~Chairman~~

11th Senate District  
2534 Kearney Court  
Lakeside Park, Kentucky 41017  
Home: (606) 331-1684  
Fax: (606) 331-1238

June 11, 1999

Ms. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
Post Office Box 615  
Frankfort, KY 40601

**RE: Case No. 99-210  
Glenwood Hall Resort and Country Club**

Dear Ms. Helton:

I am requesting to intervene in the above referenced case. I am a property owner in Glenwood Hall Resort and Country Club, now called Perry Park Country Club.

I appreciate your consideration of this request.

Sincerely,

Richard L. Roeding  
State Senator

ac

Commonwealth of Kentucky  
Public Service Commission

RECEIVED  
JUN 24 1999  
PUBLIC SERVICE  
COMMISSION

June 24, 1999

Case No. 99-210  
ICH Corporation and Perry Park Resort

In the matter of the aforementioned case before the Public Service Commission, I would like to request to intervene on behalf of the Perry Park Resort Owners Association and also as a property owner and resident of Glenwood. All of the alleged violations in this case have a direct impact on the property owners at the resort. I have been elected as the president of the Property Owner Association and I wish to be allowed to represent them in this matter.

I await your reply.

Sincerely,



Paul D. Minch, President PPROA

P O Box 58  
Perry Park , Ky. 40363

502-564-6760

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this card to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
 I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

4a. Article Number  
 4b. Service Type  
 Registered  
 Express Mail  
 Return Receipt for Merchandise  
 COD

5. Received By: (Print Name)  
 Robert C. Thready, III

6. Signature: (Addressee or Agent)  
 X *Robert C. Thready, III*

7. Date of Delivery  
 5/22/99

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this card to you.  
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 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

4a. Article Number  
 4b. Service Type  
 Registered  
 Express Mail  
 Return Receipt for Merchandise  
 COD

5. Received By: (Print Name)  
 Thomas Fern

6. Signature: (Addressee or Agent)  
 X *Thomas Fern*

7. Date of Delivery  
 5-25-99

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

Thank you for using Return Receipt Service.

**SENDER:**  
 Complete items 1 and/or 2 for additional services.  
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 2.  Restricted Delivery  
 Consult postmaster for fee.

4a. Article Number  
 4b. Service Type  
 Registered  
 Express Mail  
 Return Receipt for Merchandise  
 COD

5. Received By: (Print Name)  
 W Randall Jordan

6. Signature: (Addressee or Agent)  
 X *W Randall Jordan*

7. Date of Delivery  
 5-26-99

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this card to you.  
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 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

4a. Article Number  
 4b. Service Type  
 Registered  
 Express Mail  
 Return Receipt for Merchandise  
 COD

5. Received By: (Print Name)  
 Tracy Brooke

6. Signature: (Addressee or Agent)  
 X *Tracy Brooke*

7. Date of Delivery  
 5-25-99

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.



012-66 NH

NH

NH 99-100 210

NH 99-100 210

012-66 NH

X *Esther*

Wintarop H2I



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
 730 SCHENKEL LANE  
 POST OFFICE BOX 615  
 FRANKFORT, KENTUCKY 40602  
 www.psc.state.ky.us  
 (502) 564-3940  
 Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

June 3, 1999

Dear Gentlemen:

A Commission Order entered May 24, 1999 in Case No. 99-210 was erroneously served upon you. We regret any inconvenience this may have caused. Your name has now been deleted from the service list.

Sincerely,

Stephanie Bell  
 Secretary of the Commission

Z 319 084 622

Case No. 99-210

US Postal Service  
**Receipt for Certified Mail**  
 No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to	TCH Comp.
Street & Number	Suite 600
Post Office, State, & ZIP Code	San Diego CA 92121
Postage	.77
Certified Fee	4.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1-25
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.52</b>
Postmark or Date	



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

PS Form 3800, April 1995

Harley Lowery  
Manager  
Caldwell County Water District  
1018B West Main Street  
Princeton, KY 42445

Honorable W. Randall Jones  
Attorney at Law  
Rubin & Hays  
First Trust Centre  
200 South Fifth Street  
Louisville, KY 40202

Mr. Thomas G. Fern  
State Director  
Rural Development  
771 Corporate Drive  
Suite 200  
Lexington, KY 40503-5477

Mr. Jerry Cloyd  
Rural Development  
320B Traylor Street  
Princeton, KY 42445

Mr. Robert G. Threadgill  
Elrod-Dunson, Inc.  
P.O. Box 148269  
2727 Old Elm Hill Pike  
Nashville, TN 37214

Honorable Bill W. Adams  
Attorney at Law  
100 East Court Square  
P.O. Box 721  
Princeton, KY 42445



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

June 1, 1999

ICH Corporation  
9255 Towne Centre Drive  
Suite 600  
San Diego, CA. 92121 3039

Rhonda Craig  
Office Manager  
Par-Tee LLC  
dba Perry Park Resort  
595 Springport Ferry Road  
P. O. Box 147  
Perry Park, KY. 40363

RE: Case No. 99-210

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
 730 SCHENKEL LANE  
 POST OFFICE BOX 615  
 FRANKFORT, KY. 40602  
 (502) 564-3940

May 24, 1999

To: All parties of record

RE: Case No. 99-210

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

*Stephanie Bell*

Stephanie Bell  
 Secretary of the Commission

Z 319 084 617

US Postal Service  
**Receipt for Certified Mail**  
 No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to	Harley Lowery
Street & Number	1018 West Main St.
Post Office, State & ZIP	Frankfort KY 40602
Postage	.77
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.12</b>
Postmark or Date	

HD  
 01266  
 01266

Harley Lowery  
• Manager  
Caldwell County Water District  
1018B West Main Street  
Princeton, KY 42445

Honorable W. Randall Jones  
Attorney at Law  
Rubin & Hays  
First Trust Centre  
200 South Fifth Street  
Louisville, KY 40202

Mr. Thomas G. Fern  
State Director  
Rural Development  
771 Corporate Drive  
Suite 200  
Lexington, KY 40503 5477

Mr. Jerry Cloyd  
Rural Development  
320B Traylor Street  
Princeton, KY 42445

Mr. Robert G. Threadgill  
Elrod-Dunson, Inc.  
P. O. Box 148269  
2727 Old Elm Hill Pike  
Nashville, TN 37214

Honorable Bill W. Adams  
Attorney at Law  
100 East Court Square  
P. O. Box 721  
Princeton, KY 42445

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

I.C.H. CORPORATION A/K/A GLENWOOD HALL )  
RESORT AND COUNTRY CLUB A/K/A PERRY )  
PARK RESORT AND PAR-TEE LLC D/B/A )  
PERRY PARK RESORT )

) CASE NO. 99-210  
)

\_\_\_\_\_ )  
ALLEGED VIOLATION OF KRS 278.020(4) AND (5) )  
KRS 278.160 AND COMMISSION REGULATIONS )  
807 KAR 5:011, SECTION 2 AND 807 KAR 5:011, )  
SECTION 11 )

ORDER

I.C.H. Corporation a/k/a Glenwood Hall Resort and Country Club a/k/a Perry Park Resort ("ICH") is a utility subject to Commission jurisdiction under KRS 278.010(3)(d) and (f). Its tariff is on file with the Commission. Par-Tee, LLC d/b/a Perry Park Resort ("Par-Tee") appears to be providing utility services to the public for compensation, and therefore also appears to be a utility subject to Commission jurisdiction under KRS 278.010(3)(d) and (f). KRS 278.040 establishes the jurisdictional authority of the Commission over all utilities in this state and requires the Commission to regulate all utilities and to enforce the provisions of Chapter 278 of the Kentucky Revised Statutes.

KRS 278.020(4) provides that "[n]o person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the commission by

sale of assets, transfer of stock, or otherwise, or abandon the same, without prior approval by the commission."

KRS 278.020(5) provides that "[n]o individual, group, syndicate, general or limited partnership, association, corporation, joint stock company, trust, or other entity (an "acquirer"), whether or not organized under the laws of this state, shall acquire control, either directly or indirectly, of any utility furnishing utility service in this state, without having first obtained the approval of the commission. Any acquisition of control without prior authorization shall be void and of no effect."

KRS 278.160 provides that "each utility shall file with the commission . . . schedules showing all rates and conditions for service established by it and collected or enforced" and further provides that no utility may charge for its services any amounts other than those in its filed tariff.

KRS 278.160(1) authorizes the Commission to prescribe rules and regulations for filing and displaying schedules of rates and conditions. Pursuant to this statutory authority, the Commission promulgated Administrative Regulation 807 KAR 5:011. Commission Regulation 807 KAR 5:011, Section 2, provides that each utility under the jurisdiction of the Commission is to file a tariff containing schedules of all its rates, charges, and tolls. 807 KAR 5:011, Section 11, requires any company acquiring ownership or control of a utility to use the rates, classifications and administrative regulations of the former operating company, unless otherwise authorized by the Commission, and to issue, file and post an adoption notice with the Commission at the time of such change of ownership or control, making its own all rates, rules, and classifications of the former operating utility.

On December 30, 1998, the Commission received a letter from Rhonda Craig, Office Manager for Par-Tee, explaining that the assets of Glenwood Hall Golf and Country Club were sold to Par-Tee on August 1, 1998. The letter further explained that the purchase included the Water and Sewer Utilities. This letter is attached hereto as Appendix A. The Commission was not notified prior to the effective date of the transfer of ownership; nor did it approve the transfer.

ICH and Par-Tee appear to have violated KRS 278.020(4) and (5) by failing to obtain Commission approval prior to the transfer to Par-Tee of ICH's water and sewer facilities. Par-Tee also appears to be in violation of 807 KAR 5:011, Section 11, by its failure to file an adoption notice with this Commission at the time it assumed control or ownership of the water and sewer facilities from ICH. In addition, Par-Tee appears to be in violation of KRS 278.160, as it has collected compensation for providing utility service without having filed its tariff.

On May 10, 1999, the Commission received a letter from a resident of Glenwood Hall Resort and Country Club stating that the residents of Glenwood Hall Resort and Country Club have been charged an assessment in the amount of \$388 by ICH -- apparently now Par-Tee -- as a hook-on fee to a new line expansion planned by Carroll County Water District. A copy of this letter is attached hereto as Appendix B. This fee is not contained in ICH's tariff on file with the Commission nor is the fee in a tariff filed by Par-Tee as required by KRS 278.160 and Commission Regulation 807 KAR 5:011, Section 2.

Based on the documents received and being otherwise sufficiently advised, the Commission finds that prima facie evidence exists that ICH and Par-Tee have willfully

violated KRS 278.020(4), KRS 278.020(5), KRS 278.160 and Commission Regulation 807 KAR 5:011, Section 2, and that Par-Tee has willfully violated Commission Regulation 807 KAR 5:011, Section 11.

The Commission, on its own motion, HEREBY ORDERS that:

1. ICH and Par-Tee, through their representatives, shall appear before the Commission on July 21, 1999 at 9:30 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purposes of presenting evidence concerning the alleged willful violations of KRS 278.020(4) and (5), KRS 278.160, and 807 KAR 5:011, Sections 2 and 11; of showing cause, if any, why they should not be subject to the penalties prescribed in KRS 278.990(1) for the alleged violations; and of showing cause, if any, why all monies collected for the hook-on to the Carroll County Water District's expansion line, as well as monies collected for untariffed services, should not be refunded.

2. Appendices A and B to this Order are hereby incorporated into the record of this proceeding.

3. ICH and/or Par-Tee shall immediately cease and desist from charging any fees to hook on to the new line expansion planned by Carroll County Water District.

4. Par-Tee shall immediately cease and desist from billing for untariffed services.

5. ICH and Par-Tee shall submit to the Commission within 20 days of the date of this Order a written response to the allegations contained herein.

6. Any motion requesting an informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 24th day of May, 1999.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 99-210 DATED MAY 24, 1999

**Par-Tee LLC**

*D/b/a: Perry Park Resort  
595 Springport Ferry Road  
P.O. Box 147  
Perry Park, KY 40363*

December 30, 1998

Public Service Commission

Ms. Joyce Spear  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, KY 40602

Dear Ms. Spear:

On August 1, 1998 the Assets of Glenwood Hall Golf and Country Club were sold to Par-Tee LLC. This purchase included the Water and Sewer Utilities. I have enclosed a copy of a letter, relating to another matter, prepared by our attorney regarding the sale. Any correspondence relating Prior to the sale date of August 1<sup>st</sup> should continue to be sent to ICH Corporation. They have a new address: 9255 Towne Centre Drive, Suite 600, San Diego, CA 92121-3039. Any Post sale date information should be sent to Par-Tee LLC, d/b/a: Perry Park Resort, 595 Springport Ferry Rd., P.O. Box 147, Perry Park, KY 40363.

If you need any additional information please feel free to contact me at (502) 484-2159

Sincerely,

  
Rhonda Craig  
Office Manager

Enclosure

**ADAMS, BROOKING, STEPNER, WOLTERMANN & DUSING,  
P.L.L.C.**

*Attorneys and Counselors at Law*

JOHN R.S. BROOKING \*    GREGORY S. SHUMATE \*  
DONALD L. STEPNER \*    L.S. "BOBBY" BROOKING \*  
JAMES G. WOLTERMANN \*    STACEY L. GRAIS \*  
GERALD F. DUSING    PAUL J. DARPEL \*  
MICHAEL M. SKETCH \*    LORI A. SCHLARMAN \*  
DENNIS B. WILLIAMS \*    CHANDRA S. BALDWIN \*  
JAMES R. KALER \*    ROBERT D. DELTS \*  
JEFFREY C. MANDO \*    WESTON W. WORTHINGTON \*  
R. JEFFREY SCLOSSER \*    JEFFREY A. STEPNER \*  
MARC D. DIETZ \*

40 WEST PIKE STREET

P.O. BOX 861

COVINGTON, KENTUCKY 41012-0861

AREA CODE 606-291-7270

FAX 606-291-7902

2100 BURLINGTON PIKE - SUITE 344  
P.O. BOX 576  
FLORENCE, KENTUCKY 41042-0576  
AREA CODE 606-371-4320  
FAX 606-371-8341

1250 FEDERATED BUILDING  
7 WEST SEVENTH STREET  
CINCINNATI, OHIO 45202-2417  
AREA CODE 513-341-7648

\* ALSO ADMITTED IN OHIO  
\*\* ADMITTED ONLY IN OHIO

CHARLES S. ADAMS (1906-1971)  
C. DONNOR WALKER (1911-1967)

August 18, 1998

The Better Business Bureau of Central and Eastern Kentucky  
410 W. Vine Street  
Lexington, KY 40507-1616  
Attn: Kristen Lando  
Dispute Resolution Specialist

**RE: PERRY PARK, OWEN COUNTY, KENTUCKY**

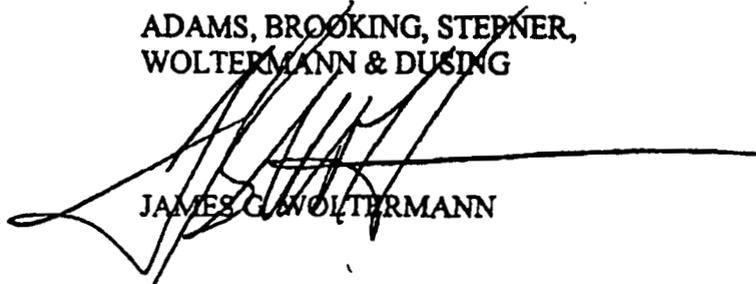
Dear Ms. Lando:

Please be advised that the assets of Perry Park Resorts were sold to PAR-TEE, LLC, a Kentucky Limited Liability Company, on Friday, July 31, 1998. The new entity bears no responsibility for any transactions prior to July 31, 1998. Please make note in your records that Perry Park Resorts is under new management effective as of the date of Closing.

If you have any questions, please feel free to call.

Very truly yours,

ADAMS, BROOKING, STEPNER,  
WOLTERMANN & DUSING

  
JAMES G. WOLTERMANN

JGW:saw  
CC: Gregory F. Martini

APPENDIX B

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 99-210 DATED MAY 24, 1999

May 6, 1999  
P.O. Box 116  
Perry Park, Ky 403

Mr. Bob Johnston  
Public Service Comm.  
P.O. Box 615  
Frankfort, Ky, 40602

RECEIVED

MAY 10 1999

PSC Consumer Services

Dear Mr. Johnston,

On or about 12-17-99, we concluded discussions on water main leaks at Glenwood Hall Resort, Perry Park, Ky. I am happy to report the leaks have been repaired.

Other discussions of concern to myself and many other residents at Glenwood Hall, was the fact that each resident was assessed \$388.00 for a total of \$100,000.00, including meters for a hook up to Carroll County water district by ICH Corp.

After talking with you, you told me that you thought the Property Owners Association approved of this assessment. I assume you came to this conclusion after you talked with Curt Moburg, who was the resident manager for I.C.H. Corp. at that time. He is the same person who requested permission to cut off water to who hadn't paid the \$388.00.

I was waiting until the former president of the Property Owners Assoc. to return from a winter absence. He was in possession of the letter I needed where we registered our disagreement with the assessment. This letter was voted on and approved by the board of directors of the Property Owners Assoc.

A letter was sent to James Arabia, Chief Executive officer for I.C.H.

The \$100,000.00 fee to be collected by I.C.H. and now the new owners of Glenwood Hall, Par-Tee, LLC (as of the fall of '98) was never approved by the Public Service Commission.

Both companies have been adamant that the residents pay this bill, even though Jim Smith of the Carroll County Water District said to me that he felt it was the company's responsibility because it was their water systems.

When the Carroll County Water District is completed this fall (99), the people on Route 127 outside of Glenwood Hall will only pay \$350.00 for a tap in fee. Jim Smith said he did not know how Glenwood Hall came up with \$388 because their fee to hook up is \$350.00 per residence.

My formal complaint is that the residents have been illegally assessed and billed without the Public Service Commission's approval.

Enclosed is a copy of my first bill and an over due bill from I.C.H., each is clearly marked "Bill To". Also, another notice sent by Mark Siebert, the new manager for Par-Tee, LLC, stating the \$388.00 is past due.

Just over \$70,000.00 was collected by the two companies from residents and the remaining amount was paid by Par-Tee, LLC because not all residents would

pay the fee that was not approved by the Public Service Commission. The total amount has been turned over to the Carroll County State District.

Many residents have known they did not owe this and that people were being illegally billed. Many people paid knowing they did not owe this money, but did so anyway to get rid of the Glenwood Hall water system. We have had many problems with the water + many people's water systems have been damaged. We are anxious for the arrival of Carroll County water.

Again I feel I.C.H. + Par-Tee, LLC should pay the \$100,000.00 and all the residents money returned.

I have some concern of retributions from Par-Tee for making this complaint. I would like to know if they are able to do this. Please let me know after you have consulted with your legal department.

Thanks for your consideration and I await hearing from you so we can put this matter to rest once and for all.

Sincerely,

David D. Burdette

Enclosures

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Rhonda Craig

4a. Article Number

Z 467 302 309

4b. Service Type

<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Certified
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured
<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> COD

7. Date of Delivery

7-6-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

X Rhonda Craig

Thank you for using Return Receipt Service.

PS Form 3811, December 1994  
HV - Case 99-210

102595-98-B-0229 Domestic Return Receipt